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July 15, 2002

Mrs. Blanca S. Bayó
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No.: 020578-TP
Petition for Expedited Review and Cancellation of BellSouth
Telecommunications, Inc's Key Customer Promotional Tariffs**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth's Motion to Dismiss or, in the alternative, Response to Petition of Florida Competitive Carriers Association for Expedited Review and Cancellation of BellSouth's Key Customer Promotional Tariffs, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Patrick W. Turner
Patrick W. Turner (LA)

Enclosures

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey

DOCUMENT NUMBER DATE

07329 JUL 15 02


FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE
DOCKET NO. 020578-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Hand Delivery (*), electronic mail and Federal Express overnight delivery this 15th day of July 2002 to the following:

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Patrick W. Turner (KA)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| | |
|---|---|
| In Re: Petition of the Florida Competitive) Carriers Association for Expedited Review and) Cancellation of BellSouth Telecommunications) Inc.'s Key Customer Promotional Tariffs) _____) | Docket No. 020578-TP Filed July 15, 2002 |
|---|---|

BELLSOUTH TELECOMMUNICATIONS, INC.'S
MOTION TO DISMISS OR, IN THE ALTERNATIVE,
RESPONSE TO PETITION OF THE FLORIDA COMPETITIVE CARRIERS
ASSOCIATION FOR EXPEDITED REVIEW AND CANCELLATION OF BELLSOUTH
TELECOMMUNICAITONS, INC.'S KEY CUSTOMER PROMOTIONAL TARIFFS

BellSouth Telecommunications, Inc. ("BellSouth") respectfully submits its Motion to Dismiss or, in the Alternative, Response to the "Petition of the Florida Competitive Carriers Association ("FCCA") For Expedited Review and Cancellation of BellSouth Telecommunications, Inc.'s Key Customer Promotional Tariffs" ("Petition"). As explained below, the Florida Public Service Commission ("Commission") should dismiss the FCCA's Petition in its entirety. In the alternative, the Commission should summarily deny both the FCCA's request for expedited treatment of its Petition and the FCCA's request for the cancellation, suspension, postponement, and/or other modification of any of BellSouth's tariffs, and it should deny all remaining claims for relief set forth in the FCCA's Petition.

I. INTRODUCTION

Less than six months ago, Florida Digital Network, Inc. ("FDN") filed a Petition attacking a prior BellSouth Key Customer tariff¹ on grounds that are substantially similar to the grounds upon which the FCCA attacks the current Key Customer tariff.² The Commission convened Docket No. 020119-TP to address FDN's Petition, and several

¹ The Key Customer tariff that FDN attacked was in effect from January 31, 2002 through June 25, 2002.

² The current Key Customer tariff that is the subject of the FCCA's Petition went into effect on June

parties, including the FCCA and some of its members, intervened in that docket. BellSouth responded to several rounds of extensive discovery served by the Commission's Staff and parties in that docket.

After investigating BellSouth's prior Key Customer tariff for nearly four months, the Commission addressed FDN's Petition during its June 18, 2002 Agenda Conference. The Commission heard extensive comments from the FCCA, FDN, Access Integrated Networks, Network Telephone Corp., BellSouth, and the Commission's Staff during that Conference. After hearing these comments, the Commission deliberated and unanimously voted not to cancel, suspend, postpone, or otherwise modify the prior Key Customer tariff. To the contrary, the Commission ruled that

we are not swayed by FDN's allegations that BellSouth's 2002 Key Customer Program tariff was unduly discriminatory. Neither are we convinced that the rates for services purchased under the Program were non-compensatory. Therefore, we find that BellSouth's 2002 Key Customer tariff filing (T-020035) shall not be canceled.

See Notice of Proposed Agency Action Order Regarding BellSouth's 2002 Key Customer Tariff Program and Winback Promotions, Order No. PSC-02-0875-PAA-TP in Docket No. 020119-TP at 16. (June 28, 2002) ("the PAA Order").

II. RESPONSE TO REQUEST FOR EXPEDITED REVIEW AND REQUEST FOR SUSPENSION, CANCELLATION, OR POSTPONEMENT OF BELL SOUTH TARIFFS

The Commission should dismiss or, in the alternative, summarily deny the FCCA's request for expedited review and its request for suspension, cancellation, or postponement of BellSouth's current Key Customer tariff for the following reasons.

A. Far from being anticompetitive as the Petition erroneously alleges, BellSouth's current Key Customer tariff represents the very essence of competition.

The FCCA's Petition attacks the current Key Customer tariff, which has already gone into effect, on the same grounds that FDN attacked the prior Key Customer tariff. As FDN did, the FCCA complains about BellSouth's business decision to make the Key Customer program available in specified wire centers, it complains that the Key Customer tariff contains a termination charge,³ and it complains about the lower prices that are available to Florida consumers as a result of the Key Customer tariff. In summary, the FCCA complains that BellSouth has chosen to vigorously compete with the numerous offerings that the FCCA's members make available to Florida consumers in those areas of the State in which they have decided to compete. The overriding theme of the FCCA's attacks is that BellSouth's Key Customer tariff is somehow "anticompetitive."

The allegations in the FCCA's Petition, however, turn the meaning of "anticompetitive" on its head. BellSouth's offering lower prices to compete with the numerous competitive offerings of the FCCA's members *is* competition, and the Courts have held that "[i]t is *in the interest of competition* to permit dominant firms to engage in *vigorous competition, including price competition.*"⁴ Moreover, because the prices BellSouth offers under the Key Customer tariff are not predatory, any harm that the FCCA's members purportedly suffer because of BellSouth's lower prices is simply the natural effect of competition. As the United States Supreme Court has held, "*cutting*

³ The FCCA complains of this termination charge despite the fact that, as explained below, many local exchange service tariffs that ALECs in Florida (including members of the FCCA) have filed with the Commission contain more substantial "full-buyout" termination charges.

⁴ *Arthur S. Langenderfer, Inc. v. S.E. Johnson Co.*, 729 F.2d 1050, 1057 (6th Cir.), *cert. denied* 469 U.S. 1036 (1984)(emphasis added).

prices in order to increase business often is the very essence of competition. The antitrust laws were enacted for the protection of competition, *not competitors.*"⁵ The United States Supreme Court has also held that

Low prices benefit consumers regardless of how those prices are set, and so long as they are above predatory levels, they do not threaten competition. We have adhered to this principle regardless of the type of antitrust claim involved.

* * *

To hold that the antitrust laws protect competitors from the loss of profits due to such price competition would, in effect, render illegal any decision by a firm to cut prices in order to increase market share. *The antitrust laws require no such perverse result.*⁶

In filing its Petition, the FCCA is simply attempting to insulate its members from competition by BellSouth at the cost of depriving Florida customers of one of the intended benefits of the vibrant competition that exists in the local exchange market in Florida – lower prices. The Commission should reject the FCCA's attempts to stifle competition and should allow the current Key Customer tariff to remain in effect.

B. The FCCA has not – and cannot – allege any facts that support its conclusory allegations of substantial and irreparable harm.

Just as FDN alleged that the prior Key Customer tariff caused substantial and irreparable harm to it and other ALECs, the FCCA alleges that the current Key Customer tariff causes substantial and irreparable harm to Florida's ALECs. See Petition at p. 2, §IV. Just as FDN failed to allege any facts that, if proven, would have demonstrated any such harm, the FCCA has failed to allege any facts that, if proven, would demonstrate any such harm. Just as the Commission rejected FDN's

⁵ *Atlantic Richfield Co. v. USA Petroleum Co.*, 495 U.S. 328, 338 (1990)(emphasis added).

⁶ *Brooke Group Ltd. v. Brown & Williamson Tobacco Corp.*, 509 U.S. 209, 223 (1993)(emphasis added).

unsubstantiated allegations of substantial and irreparable harm, the Commission should reject the FCCA's unsubstantiated allegations of substantial and irreparable harm.

The reason that the FCCA has alleged no facts in support of these allegations is clear – there are no facts that would support any claim of irreparable harm. In December 2001, this Commission submitted a report entitled “Competition in Telecommunications Markets in Florida” (“the Report”) to the legislature.⁷ This Report states that “Florida has seen *continued increases* in competitive entry in the business and residential sectors” since the Commission’s prior report in December 2000. (Report at 20) (emphasis added). In fact, “[a]s of June 30, 2001, 463 ALECs were certificated in Florida, with 108 reporting they were serving 959,586 access lines. By contrast, the 2000 report found 91 companies serving 710,617 access lines.” (*Id.*) The Report further notes that “[i]n the 1999 edition of this report, this agency found 80 companies serving a total of 555,172 access lines.” (*Id.* at 51-52).

In other words, the number of ALECs providing service in Florida is steadily increasing: it increased by 14% from 1999 to 2000, and it increased by 19% from 2000 to 2001. Similarly, the number of access lines being served by ALECs in Florida is steadily increasing: it increased by 28% from 1999 to 2000, and it increased by 35% from 2000 to 2001. All of these increases occurred while various BellSouth promotions were in effect, some of which were quite similar to the current Key Customer tariff. These facts of public record flatly refute the FCCA's allegations that BellSouth's current Key Customer promotion will cause irreparable harm to competition in Florida.

⁷ The Commission prepared this Report “to satisfy the statutory requirements of Section 364.386, Florida Statutes,” which requires the Commission to provide designated members of the Legislature an annual “report on the status of competition in the telecommunications industry” (See Report at 5; Florida Statutes §364.386).

C. The inaction of the FCCA and its members shows that expedited consideration of the Petition is neither necessary nor appropriate.

The inaction of the FCCA itself and of its own members further demonstrates that expedited consideration of the FCCA's Petition is neither necessary nor appropriate. Most, if not all, of the FCCA's members are parties to interconnection agreements with BellSouth, and those agreements provide that BellSouth will provide notice of the introduction of retail promotions at least forty-five days prior to the effective date of such promotions. BellSouth notifies ALECs of such promotions by way of a web-page to which all ALECs have access. Accordingly, on May 10, 2002, BellSouth posted a Notice on its web page that describes the currently effective Key Customer Program in detail. (See Attachment A). This Notice states that BellSouth anticipated filing the program tariff with the Commission on June 11, 2002 with an effective date of June 26, 2002, and BellSouth did, in fact, file the program tariff with the Commission on June 11, 2002 with a proposed effective date of June 26, 2002. (See Attachment B).⁸ The FCCA's members, therefore, had notice of the current Key Customer tariff long before it went into effect on June 26, 2002.

Significantly, the FCCA itself also had actual notice of the current Key Customer tariff before it went into effect. The FCCA was represented during the Commission's June 18, 2002 Agenda Conference, and in oral argument presented during that Conference, at least one ALEC explicitly noted the fact that the current Key Customer tariff had been filed and was due to go into effect soon.⁹ If expedited consideration of the FCCA's Petition really was appropriate, why did the FCCA not file its Petition immediately after the Commission's vote at the Agenda Conference rather than waiting

⁸ As a result of discussions initiated by the Commission's Staff, BellSouth filed replacement pages

until eight days later – the day before the tariff went into effect – to file it? If expedited consideration of the FCCA’s Petition really was appropriate, why did no ALEC that had 45-days’ notice of the effective date of the tariff file a similar Petition of its own?

- D. The FCCA has alleged no facts that, even if proven, would suggest that the Commission should treat the current Key Customer tariff any differently than it treated the prior Key Customer tariff that it found “shall not be cancelled.”**

In Docket No. 020119-TP, the Commission’s Staff recommended that if any party timely protests the Commission’s PAA Order, “BellSouth should be precluded from filing any tariff that extends, mirrors, or builds upon the 2002 Key Customer Tariff provisions” until the resolution of the hearing on such protest. See Staff Recommendation in Docket No. 020119-TP at 25. The Commission unanimously voted not to accept this aspect of the Staff’s recommendation, and no such provision appears in the Commission’s PAA Order. The FCCA, therefore, is asking the Commission to do now what it declined to do in the PAA Order it issued two weeks ago – suspend or postpone a BellSouth tariff that offers lower prices to Florida consumers in order to compete with the many competitive offerings that ALECs are making available those same consumers. Incredibly, the FCCA asks for suspension or cancellation of the current Key Customer tariff without alleging any facts that would suggest that the Commission should treat the current Key Customer tariff any differently than it treated the prior Key Customer tariff that it found “shall not be cancelled.” See PAA Order at 16.

In summary, the current Key Customer tariff represents the very essence of competition, and the FCCA has not – and cannot – allege facts that support its request for expedited consideration of its Petition. Moreover, the FCCA’s own conscious

on June 25, 2002. These replacement pages are included in Attachment B.

decision to wait until the eve of the effective date of the current Key Customer tariff to file its Petition demonstrates that such expedited consideration is neither necessary nor appropriate. Finally, the FCCA has alleged no facts that suggest that the Commission should effectively reverse the decision it made in its PAA Order. The Commission, therefore, should dismiss or, in the alternative, summarily deny both the FCCA's request for expedited consideration of its Petition and the FCCA's request for cancellation, suspension, postponement, and/or other modification of the current Key Customer tariff.

III. RESPONSE TO ALLEGATIONS SET FORTH IN THE PETITION

The FCCA did not set forth its allegations in numbered paragraphs in its Petition. BellSouth, therefore, will respond to the allegations set forth in the FCCA's Petition as best it can using the section headings that the FCCA used in its Petition.

A. Parties (Section I of the Petition)

Upon information and belief, BellSouth admits that the FCCA is an association and that some of the FCCA's members provide competitive telecommunications services in the state of Florida. BellSouth is without knowledge or information sufficient to form a belief as to the truth of the allegation that the FCCA is a Florida not-for-profit corporation and, therefore, BellSouth denies this allegation. BellSouth denies the remaining allegations set forth in the first paragraph of Section I of the Petition.

BellSouth admits the allegations set forth in the second paragraph of Section I of the Petition regarding pleadings, notices and other documents related to this proceeding.

BellSouth admits the allegations set forth in the first sentence of the third paragraph of Section I of the Petition. BellSouth further admits that it provides local

⁹ See, e.g., Tr. of June 18, 2002 Agenda Conference at 18-22.

exchange and other services in the State of Florida; that it is certificated to provide these services in the State of Florida, and that it is a “Bell Operating Company” and an “incumbent local exchange carrier” (“ILEC”) under the terms of the federal Telecommunications Act of 1996. BellSouth denies the remaining allegations set forth in the third paragraph of Section I of the Petition.

B. Substantial Interests (Section II of the Petition)

BellSouth admits that some of the FCCA’s members provide competitive local telecommunications services in BellSouth’s territory in Florida. BellSouth denies the remainder of the allegations set forth in Section II of the Petition.

C. Facts Alleged (Section IV¹⁰ of the Petition)

1. First Paragraph of Section IV of the Petition

BellSouth admits that it filed the current Key Customer tariff that is the subject of the FCCA’s Petition with the Commission on June 11, 2002, that the tariff became effective on June 26, 2002, and that customers may enroll in the promotion described in the tariff between June 26, 2002 and December 31, 2002. BellSouth admits that the terms and conditions of the promotion are set forth in BellSouth’s current Key Customer tariff, a copy of which is Attachment C to this Response, and BellSouth denies the allegations set forth in the last sentence of the first paragraph of Section IV of the Petition to the extent that they are inconsistent with those terms and conditions. BellSouth denies the remainder of the allegations set forth in the first paragraph of Section IV of the Petition.

2. Second Paragraph of Section IV of the Petition

¹⁰ There is no Section III of the Petition – it jumps directly from Section II (Substantial Interests) to Section IV (Facts Alleged). To avoid confusion, BellSouth will refer to the Sections as they are numbered in the Petition.

BellSouth admits that Sections 364.08(2), 364.051(5)(b), and 364.051(5)(c) of the Florida Statutes say what they say, and BellSouth denies that its current Key Customer tariff violates these statutes in any manner. BellSouth denies the allegation that it has made no showing that the rates produced by the current Key Customer tariff are above its incremental costs. As explained below, the Commission has determined that the rates offered under the prior Key Customer tariff exceed incremental costs. Because the rates offered under the current Key Customer tariff are *higher* than the rates offered under the prior Key Customer tariff, they also exceed incremental costs.

The prior Key Customer tariff provided for the waiver of line connection charges during the promotion sign-up period, discounts of up to 100% off rotary (hunting) service, and discounts of up to 25% off monthly total billed revenue. See Attachment D. In its PAA Order addressing that tariff, the Commission noted that “via discovery, certain cost data was obtained from BellSouth and evaluated.” See PAA Order at 12. Based on a review of that cost data, the Commission found “that the rates for services purchased under BellSouth’s 2002 Key Customer Program are compensatory.” *Id.* at 13. By “compensatory,” the Commission meant that the rates exceeded incremental cost. See *Id.* at 10 (“In order for an offering to be compensatory, we believe that it must be offered at a rate equal to or greater than its incremental cost.”).

Like the prior Key Customer tariff addressed in the Commission’s PAA Order, the current Key Customer tariff provides for rewards equal to the line connection charges during the promotion sign-up period and rewards of up to 100% on hunting service. While the prior Key Customer tariff offered up to 25% off monthly total billed revenue, however, the current Key Customer tariff provides rewards of up to 20% off monthly total monthly billed revenue. The current Key Customer tariff, therefore, produces rates

that are *higher* than the rates produced by the prior Key Customer tariff that the Commission addressed in its PAA Order. Given that the lower rates produced by the prior Key Customer tariff exceed incremental costs, the *higher* rates produced by the current Key Customer tariff likewise exceed incremental costs.

BellSouth denies the remainder of the allegations set forth in the second paragraph of Section IV of the Petition.

3. Third Paragraph of Section IV of the Petition

BellSouth admits that the terms and conditions of the current Key Customer promotion (including those regarding hot wire centers) are set forth in BellSouth's current Key Customer tariff, a copy of which is Attachment C to this Response. BellSouth denies the allegations set forth in the third paragraph of Section IV of the Petition to the extent that they are inconsistent with terms and conditions of the current Key Customer tariff. BellSouth further denies any implication that making this offering available in designated wire centers as set forth in the current Key Customer Tariff violates any provision of applicable law. In Docket No. 020119-TP, FDN argued that the prior Key Customer tariff "extends discounted rates to one segment of small business customers who are indistinguishable from all other small business customers" because BellSouth only offered the promotion in hot wire centers. See PAA Order at 6. In response to this argument, the Commission stated:

We opine that nothing in Section 364.051(5)(a), Florida Statutes, prohibits or restricts a LEC from targeting specific geographic markets and offering volume and term discounts. Therefore, we believe that BellSouth's targeting is permissible under the provisions of this statute. As a result, we are not swayed by FDN's contention that BellSouth's 2002 Key Customer Program tariff is unduly discriminatory based upon the argument that BellSouth only selectively offers the promotion in the so-called "hot wire centers."

Id. at 7-8.

4. Fourth Paragraph of Section IV of the Petition

BellSouth denies the allegations set forth in the fourth paragraph of Section IV of the Petition.

5. Fifth Paragraph of Section IV of the Petition

BellSouth admits that Section 364.3381(3) of the Florida Statutes says what it says, and BellSouth denies that its current Key Customer tariff violates this statute in any manner. BellSouth admits that it has responded to the vigorous competition by the ALECs for small business customers in the state of Florida by offering Key Customer programs in the past. BellSouth denies the remainder of the allegations set forth in the fifth paragraph of Section IV of the Petition and in response to those allegations, BellSouth incorporates its response to the second and third paragraphs of Section IV of the Petition herein by reference.

6. Sixth Paragraph of Section IV of the Petition

BellSouth admits that the Commission considered the prior Key Customer tariff in Docket No. 020119-TP and that the FCCA was represented at the Commission's June 18, 2002 Agenda Conference during which the Commission rendered its vote in that docket. BellSouth denies the remainder of the allegations set forth in the sixth paragraph of Section IV of the Petition. BellSouth specifically denies the allegation that "it is imperative that the 2002 Key Customer Program be suspended or postponed," and in response to that allegation, BellSouth incorporates Section II of this Answer herein by reference.

7. Seventh Paragraph of Section IV of the Petition

BellSouth admits that in order to participate in the current Key Customer program, eligible customers must sign either a 24-month term agreement or a 36-month term agreement. BellSouth admits that the current Key Customer tariff contains termination charges that must be paid if a customer terminates the election agreement, and BellSouth admits that these termination charges are set forth in its current Key Customer tariff (a copy of which is Attachment C of this Answer). BellSouth denies the allegations set forth in the third sentence of the seventh paragraph of Section IV of the Petition to the extent that they are inconsistent with Attachment C. BellSouth denies the remainder of the allegations set forth in the seventh paragraph of Section IV of the Petition.

In further response, BellSouth notes that in its PAA Order, the Commission rejected FDN's challenges to the termination charges that appeared in the prior Key Customer tariff, explaining that

a termination liability is commonplace in many types of contracts, not just contracts signed in conjunction with a promotional offering. We do not agree with FDN's characterization that a termination liability is "a poison pill," inasmuch as the customer is making a tradeoff – lower rates in return for a commitment period. We find that such tradeoffs are a common business practice and that BellSouth's 2002 Key Customer Program tariff is not unduly discriminatory.

See PAA Order at 10. To see just how common a business practice such tradeoffs are, one need look no further than the local exchange service tariffs that ALECs (including some of the FCCA's members) have filed with the Commission. The filed tariffs of several Florida ALECs, for example, contain language that is identical or substantially similar to the following language that appears in FDN's tariff:

Customer's termination liability for cancellation of service shall be equal to:

- (A) all unpaid non-recurring charges reasonably expended by Company to establish service to Customer, *plus*;
- (B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer; *plus*
- (C) all recurring charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- (D) minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.¹¹

The filed tariffs of other Florida ALECs contain language that is identical or substantially similar to the following language that appears in IDS Telcom, LLC's tariff:

If any portion of the Customer's service is disconnected for any reason prior to the end of the service period, the Customer shall pay a termination liability charge equal to 100% of the payments remaining in the service period within thirty (30) days of the disconnection.¹²

The pervasive use of "full-buyout" termination charges by its own members clearly refutes the FCCA's allegations that the termination charge in BellSouth's current Key Customer tariff (which is not a "full-buyout" provision) is in any way inappropriate.

¹¹ See, e.g., Florida Digital Network, Inc. Florida Price List No. 1 §2.8.1. See also @Link Networks, Inc. Florida Price List No. 2 §2.11.1; 1-800-Reconex, Inc. Florida Price List No. 1 §2.7.2; Access Integrated Networks, Inc. Florida Price List No. 1 §2.7.2; Access Point, Inc. Florida Price List No. 1 §2.8.1; Actel Integrated Communications, Inc. Florida Price List No. 1 §2.8.1; AT&T Broadband Phone of Florida, LLC Florida Price List No. 2 §2.13; MCI Metro Access Transmission Services LLC F.P.S.C. Price List No. 2 §2.7; MCI Worldcom Communications, Inc. FPSC Price List No. 2 §2.8.1; Melbourne Venture Group, LLC Florida Price List No. 1 §2.16.1; Nationnet Communications Corporation Florida Local Price List §2.12.2; XO Florida, Inc. FPSC Price List No. 3 §2.7.2. This is not intended to be an exhaustive list of ALEC tariffs that contain such termination liability provisions.

¹² See, e.g., IDS Telcom, LLC Florida Price List §2.20.2. See also Mpower Communications Corp. Florida P.S.C. Price List No. 1 §4.5; Teligent Services, Inc Florida Price List No. 1 §3.9.5. This is not intended to be an exhaustive list of ALEC tariffs that contain such termination liability provisions.

E. Material Facts in Dispute (Section V of the Petition)

BellSouth admits that it disputes the FCCA's conclusory and unsubstantiated allegations that BellSouth's current Key Customer promotion is anticompetitive, non-compensatory, and in violation of Florida Statutes. At this early stage of this proceeding, BellSouth has no way of knowing whether the FCCA would present any material facts that BellSouth would dispute during later stages of this proceeding and, therefore, BellSouth can neither admit nor deny that allegation at this time.

F. Requested Relief (Section VI of the Petition)

BellSouth denies that the FCCA is entitled to any of the relief it requests in Section VI of the Petition, in the "wherefore" clause of the Petition, or in any other provisions of the Petition.

G. Denial of Allegations that are not Expressly Admitted

To the extent that any allegation in the FCCA's Petition is not expressly admitted herein, such allegation is denied.

IV. MOTION TO DISMISS


As explained in detail above, the FCCA's Petition attacks the current Key Customer tariff on the same substantive grounds that FDN attacked the prior Key Customer tariff. Even if the FCCA could prove the sparse factual allegations that are set forth in its Petition, therefore, there is no need for the Commission to re-plow the same ground that it plowed less than a month ago. The Commission, therefore, should dismiss the FCCA's Petition in its entirety.

CONCLUSION

For all of the reasons set forth above, the Commission should dismiss the FCCA's Petition in its entirety. In the alternative, the Commission should summarily deny both the FCCA's request for expedited treatment of its Petition and the FCCA's request for the cancellation, suspension, postponement, and/or other modification of any of BellSouth's tariffs, and it should deny all remaining claims for relief set forth in the FCCA's Petition.

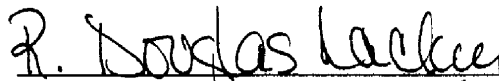
Respectfully submitted this 15th day of July 2002.

BELLSOUTH TELECOMMUNICATIONS, INC.



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454525



Notice

| Notification Type: | Promotion | | | | | | | | | |
|---------------------------------|---|--------------------|-----------------|-----------------|-------------|-----|-----|----------------|-----|------|
| Jurisdiction: | FLORIDA | | | | | | | | | |
| Notice Date: | 05/10/2002 | | | | | | | | | |
| Filing Package Number: | FL2002-094 | | | | | | | | | |
| Service Name: | FL-Key 2002 | | | | | | | | | |
| Tariff Sections: | A2.10 | | | | | | | | | |
| Expected Issue Date: | 06/11/2002 | | | | | | | | | |
| Expected Effective Date: | 06/26/2002 | | | | | | | | | |
| Descriptive Narrative: | <p>This promotion is a 24 or 36-month term offering available to new and existing BellSouth customers that are located in specified wire centers. The Key Customer Program will offer rewards on the subscriber's bill. Subscribers must sign a 24 or 36-month agreement to participate in the program to receive the rewards specified. The Program will begin on June 26, 2002 and end on December 31, 2002.</p> <p>Program Eligibility</p> <ul style="list-style-type: none"> • Available to new and existing BellSouth business customers subscribing to local exchange service. • Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards. • Subscriber's location must be located in specified wire centers. • Subscriber must sign a 24 or 36-month term election agreement to receive the rewards. • Participant must be a BST customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles. • Reward: Specified % of Subscriber's regulated total billed revenue (TBR) (charges to the customer) from the GSST A and PLS B tariffs. <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Monthly TBR</u></th> <th style="text-align: left;"><u>24 Month</u></th> <th style="text-align: left;"><u>36 Month</u></th> </tr> </thead> <tbody> <tr> <td>\$75-\$3000</td> <td>10%</td> <td>20%</td> </tr> <tr> <td>Hunting Reward</td> <td>50%</td> <td>100%</td> </tr> </tbody> </table> | <u>Monthly TBR</u> | <u>24 Month</u> | <u>36 Month</u> | \$75-\$3000 | 10% | 20% | Hunting Reward | 50% | 100% |
| <u>Monthly TBR</u> | <u>24 Month</u> | <u>36 Month</u> | | | | | | | | |
| \$75-\$3000 | 10% | 20% | | | | | | | | |
| Hunting Reward | 50% | 100% | | | | | | | | |



Notice

- The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: nonregulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies.
- Subscribers who participate in the promotion and subscribe to new service during the promotional period, will receive an additional reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks).
- Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement.
- Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75).
- Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000.
- In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section.

Monthly TBR at time of enrollment

Set charge to be multiplied by number of months remaining on term after disconnect

\$75 - \$149.99

\$25

\$150 - \$3,000

\$40

- Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center.
- Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term.
- Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.



Notice

Promotion Restrictions

- Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this promotion.
- Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states.
- Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion.
- Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards for the related revenue.
- Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange services term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective.
- Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST.
- BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement.

BELLSOUTH

1676

BellSouth Telecommunications, Inc
Suite 400
150 South Monroe Street
Tallahassee, FL 32301-1556
marshall.criser@bellsouth.com

2002 JUN 11 PM 5:00

Marshall M. Criser III
Vice President
Regulatory & External Affairs
850 224 7798
Fax 850 224 5073

June 11, 2002

Mr. Walter D'Haeseleer, Director
Division of Competitive Markets and Enforcement
2 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. D'Haeseleer:

Pursuant to Florida Statute 364 051, we are filing herewith revisions to our General Subscriber Service Tariff. Following are the affected tariff pages:

- General Subscriber Service Tariff
- Section A2 - Original Page 34.0.2.2
- Original Page 34.0.2.3
- Original Page 34.0.2.4

This promotion is a 24 or 36-month offering targeting BellSouth customers in specific Wire Centers. The promotion will begin June 26, 2002 and end December 31, 2002.

Program Eligibility

- Available to new and existing BellSouth business customers subscribing to local exchange service.
- Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards.
- Subscriber's location must be located in specified wire centers.
- Subscriber must sign a 24 or 36-month term election agreement to receive the rewards.

Promotion Elements

- Subscribers who participate in the promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks).
- Base reward: Specified % of Subscriber's regulated total billed revenue (TBR) (charges to the customer) from the GSST A and PLS B tariffs.

| Monthly TBR | 24 Month | 36 Month |
|----------------|----------|----------|
| \$75- \$3000 | 10% | 20% |
| Hunting Reward | 50% | 100% |

- The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: nonregulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies.
- Participant must be a BST customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles.
- Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement.

TARIFF NOTIFICATION
FLORIDA

1676

Today's Date: 06/11/02

Filing Package No:

Filing Date: 06/11/02

Effective Date: 06/26/02

Subject: June 2002/ Second Quarter Key Customer filing.

Tariff Status: Filed
(Filed, Approved, Withdrawn, Suspended, Denied)

TARIFF PAGES

GSST

Section A2

Original Pg. 34.0.2.2

Original Pg. 34.0.2.3

Original Pg. 34.0.2.4

1676

BellSouth Telecommunications, Inc.
 Suite 400
 150 South Monroe Street
 Tallahassee, FL 32301-1556
 marshall.criser@bellsouth.com

Marshall M. Criser III
 Vice President
 Regulatory & External Affairs
 850 224 7798
 Fax 850 224 5073

June 11, 2002

Mr. Walter D'Haeseleer, Director
 Division of Competitive Markets and Enforcement
 2540 Shumard Oak Boulevard
 Tallahassee, Florida 32399-0850

Dear Mr. D'Haeseleer:

Pursuant to Florida Statute 364.051, we are filing herewith revisions to our General Subscriber Service Tariff. Following are the affected tariff pages:

General Subscriber Service Tariff
 Section A2 - Original Page 34.0.2.2
 Original Page 34.0.2.3
 Original Page 34.0.2.4

This promotion is a 24 or 36-month offering targeting BellSouth customers in specific Wire Centers. The promotion will begin June 26, 2002 and end December 31, 2002.

Program Eligibility

- Available to new and existing BellSouth business customers subscribing to local exchange service.
- Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards.
- Subscriber's location must be located in specified wire centers.
- Subscriber must sign a 24 or 36-month term election agreement to receive the rewards.

Promotion Elements

- Subscribers who participate in the promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks).
- Base reward: Specified % of Subscriber's regulated total billed revenue (TBR) (charges to the customer) from the GSST A and PLS B tariffs.

| Monthly TBR | 24 Month | 36 Month |
|----------------|----------|----------|
| \$75- \$3000 | 10% | 20% |
| Hunting Reward | 50% | 100% |

- The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: nonregulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies.
- Participant must be a BST customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles.
- Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement.

- Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75)
- Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000.
- In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section.

| Monthly TBR at time of enrollment | Set charge to be multiplied by number of months remaining on term after disconnect |
|-----------------------------------|--|
| \$75 - \$149.99 | \$25 |
| \$150 - \$3,000 | \$40 |

- Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center.
- Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term.
- Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.

Promotion Restrictions

- Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion.
- Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states.
- Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion.
- Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards for the related revenue.
- Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective.
- Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST.
- BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement.

Florida
BellSouth
Page 3 of 3

Acknowledgment, date of receipt and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

Your consideration and approval will be appreciated.

Yours very truly,

Marshall M. Criser *ms*

Regulatory Vice President
Attachments

Executive Summary

This promotion is a 24 or 36-month term offering available to new and existing BellSouth customers that are located in specified wire centers within those states. The Key Customer Program will offer rewards on the subscriber's . . . subscribers must sign a 24 or 36-month agreement to participate in the program to receive . . . rewards specified. The Program will begin on June 26, 2002 and end on December 31, 2002.

Program Eligibility

- Available to new and existing BellSouth business customers subscribing to local exchange service.
- Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards.
- Subscriber's location must be located in specified wire centers.
- Subscriber must sign a 24 or 36-month term election agreement to receive the rewards.

Promotion Elements

- Subscribers who participate in the promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks).
- Base reward: Specified % of Subscriber's regulated total billed revenue (TBR) (charges to the customer) from the GSST A and PLS B tariffs.

| Monthly TBR | 24 Month | 36 Month |
|----------------|----------|----------|
| \$75- \$3000 | 10% | 20% |
| Hunting Reward | 50% | 100% |

- The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: nonregulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies.
- Participant must be a BST customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles.
- Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement.
- Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75).
- Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000.

- In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section.

| Monthly TBR at time of enrollment | Set charge to be multiplied by number of months remaining on term after disconnect |
|-----------------------------------|--|
| \$75 - \$149.99 | \$25 |
| \$150 - \$3,000 | \$40 |

- Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center.
- Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term.
- Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.

Promotion Restrictions

- Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion.
- Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states.
- Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion.
- Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards for the related revenue.
- Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective.
- Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST.
- BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement.

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|---|---|----------------------------|
| BellSouth's Service Territory | 2002 Key Customer Program | | (S) |
| | <u>Program Eligibility and Elements</u> | | |
| | -Available to new and existing BellSouth business customers subscribing to local exchange service | -Customers who participate in this promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks). | 06/26/02 to 12/31/02 |
| | -Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards. | | |
| | -Subscriber's location must be located in specified wire centers' | | |
| | -Subscriber must sign a 24 or 36-month term election agreement. | | |
| | -Participant must be a BST customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles | <u>Reward</u> Monthly TBR - 24 months \$75 - \$3,000 10% | |
| | -Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement. | Monthly TBR - 36 months \$75 - \$3,000 20% | |
| | -Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75). | -50% Hunting Reward will be given on a contract period of 24 months. | |
| | -Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000. | -100% Hunting Reward will be given on a contract period of 36 months. | |
| | -Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center. | The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies. | |
| | -Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term. | | |
| | -Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program. | | |

Note 1: The list of hot wire centers that are eligible for this promotion is listed on Page 34.0.2.4.

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|--|---|----------------------|
| BellSouth's Service Territory | 2002 Key Customer Program (Cont'd) | | |
| | Promotion Restrictions | | |
| | -Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion. | In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section. | 06/26/02 to 12/31/02 |
| | -Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states | | |
| | -Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion | | |
| | -Subscribers with Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards | Monthly TBR (at time of enrollment) | |
| | -This promotion may not be used concurrently with any previous or existing BellSouth Business Programs | \$75-\$149.99 \$25.00* | |
| | -Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective. | \$150-\$3,000 \$40.00* | |
| | -Payment of the termination charge does not release the Subscriber from other previous amounts owed to BellSouth | | |
| | -BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement. | | |
| | | *Set charge to be multiplied by number of months remaining on term after disconnect | |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

B. Eligible Hot Wire Centers - Key Customer 2002

| Hot Wire Center | Hot Wire Center | Hot Wire Center |
|----------------------|--------------------|----------------------|
| BCRT BOCA TRFCA | HITCHNSON IS MAIN | MIAM W. DADE |
| BOCA RATON MAIN | JCBH-MAIN | MIAM W MIAMI |
| BCRT SANDALFOOT | JCVL-ARLINGTON | MELBOURNE |
| BROOKSVILLE | JCVL-BEACHWOOD | MNDR-LORETTO |
| BOYNTON BEACH MAIN | JCVL-FT CAROLINE | NDAD ARCH CREEK |
| COCOA BEACH | JCVL-LAKE FOREST | NDAD BRENTWOOD |
| COCOA-MAIN | JCVL-NORMANDY | JCVL-CLAY STREET MGO |
| COCOA-MERRITT ISLAND | JCVL-OCEANWAY | NDAD GOLDEN GLADES |
| DEBARY DELTONA | JCVL-RIVERSIDE | NDAD OLETA |
| DEBARY MAIN | JCVL-SAN JOSE | NEW SMYRNA BCH |
| DELAND | JCVL-SAN MARCO | ORLD-AZALEA PARK |
| DLBH KINGS POINT | JCVL-SOUTHPOINT | ORLD-COLONIAL |
| DELRAY BCH MAIN | JCVL-WESCONNETT | ORLD-MAGNOLIA |
| DEERFIELD BEACH MAIN | JUPITER MAIN | ORLD-PINECASTLE |
| DYBH-MAIN | KEY WEST MAIN | ORLD-PINEHILLS |
| DYBH-ORMND BCH | LAKE MARY | ORLD-SAND LAKE |
| DYBH-PORT ORANGE | MIAM ALHAMBRA | ORPK-MAIN |
| EGLL-INDN HBR BH | MIAM ALLAPATTAH | ORPK-RIDGEWOOD |
| EGLL-BOWE GDNS | MIAM AIRPORT | OVIEDO |
| FT LAUD MAIN RELIEF | MIAM BAYSHORE | PERRINE MAIN |
| FTLD CORAL RIDGE | MIAM BISCAYNE | PANAMA CITY BEACH |
| FTLD CYPRESS | MIAM BEACH | PANAMA CITY MAIN |
| FTLD JACARANDA | MIAM CANAL | PMBH CORAL SPRINGS |
| FTLD OAKLAND | MIAM DADELAND BLVD | PMBH FEDERAL |
| FTLD PLANTATION | MIAM FLAGLER | PMBH MARGATE |
| FTLD SAWGRASS | MIAM GRANDE | PMBH TAMARAC |
| FTLD SUNRISE | MIAM HIALEAH | PNSC-BELMONT |
| FTLD WESTON | MIAM INDIAN CREEK | PNSC-FERRY PASS |
| FERNANDINA BCH | MIAM METRO | PNSC WARRINGTON |
| FORT PIERCE MAIN | MIAM NORTH MIAMI | PONTE VEDRA BCH |
| GULF BREEZE | MIAM NORTHSIDE | PORT ST. LUCIE MAIN |
| GSVL-MAIN | MIAM OPA LOCKA | PTSL SOUTH PTSL |
| HLWD HALLANDALE | MIAM PALMETTO | SANFORD-O-WS |
| HLWD PEMBROKE PINES | MIAM POINCIANA | STAG-MAIN |
| HLWD WEST HOLLYWOOD | MIAM RED ROAD | STUART MAIN |
| HOLLYWOOD MAIN | MIAM MIAMI SHORES | TITUSVILLE |
| HOMESTEAD MAIN | MIAM SILVER OAKS | VERO BEACH MAIN |
| | MNDR - AVENUES | VRBH BEACHLAND |
| | | WPBH GARDENS |
| | | WPBH GREENACRES |
| | | WPBH HAVERHILL |
| | | WPBH MAIN ANNEX |
| | | WPBH LAKE WORTH |
| | | WPBH RIVIERA BCH |
| | | WPBH RYL PLM BCH |
| | | WWSP-HIGHLAND |
| | | WWSP-SPRING HILL |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|---|---|----------------------------|
| BellSouth's Service Territory | 2002 Key Customer Program | -Customers who participate in this promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks). | 06/26/02 to 12/31/02 |
| | Program Eligibility and Elements -Available to new and existing BellSouth business customers subscribing to local exchange service. -Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards. -Subscriber's location must be located in specified wire centers. -Subscriber must sign a 24 or 36-month term election agreement. -Participant must be a BST customer at the time of the reward. The reward will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles. -Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement. -Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet the minimum TBR amount (\$75). -Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000. -Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center. -Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term. -Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program. | Reward Monthly TBR - 24 months \$75 - \$3,000 10% Monthly TBR - 36 months \$75 - \$3,000 20% -50% Hunting Reward will be given on a contract period of 24 months. -100% Hunting Reward will be given on a contract period of 36 months. The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies. | |

Note 1: The list of hot wire centers that are eligible for this promotion is listed on Page 34.0.2.4.

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|--|---|---|
| BellSouth's Service Territory | <p>2002 Key Customer Program (Cont'd) Promotion Restrictions -Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion. -Base and hunting rewards (for hunting services) apply only to BST regulated total billed charges within a state, not across states. -Subscribers participating in a Volume and Term Agreement (CSA) are not eligible to participate in this promotion. -Subscribers with Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards. -This promotion may not be used concurrently with any previous or existing BellSouth Business Programs. -Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective. -Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST. -BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement.</p> | <p>In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section.</p> <p>Monthly TBR (at time of enrollment) \$75-\$149.99 \$25.00* \$150-\$3,000 \$40.00*</p> <p>*Set charge to be multiplied by number of months remaining on term after disconnect</p> | <p>06/26/02 to 12/31/02</p> |

Key Customer Program Financials - FL

Total Customers

| | TOTAL | |
|-------|-------|--------|
| FL | | 14,497 |
| TOTAL | | 14,497 |

Total Monthly Revenue

| | TOTAL | |
|-------|-------|-----------|
| FL | \$ | 3,972,670 |
| TOTAL | \$ | 3,972,670 |

2002 Rev

| | TOTAL | |
|-------|-------|------------|
| FL | \$ | 23,836,021 |
| TOTAL | \$ | 23,836,021 |

Monthly Discount Revenue

| | TOTAL | |
|-------|-------|-----------|
| FL | \$ | 1,152,074 |
| TOTAL | \$ | 1,152,074 |

Expense

| | TOTAL | |
|-------|-------|---------|
| FL | \$ | 284,494 |
| TOTAL | \$ | 284,494 |

COGS 0.33

| | TOTAL | |
|-------|-------|-----------|
| FL | \$ | 1,310,981 |
| TOTAL | \$ | 1,310,981 |

Monthly Net Revenue (contribution)

| | TOTAL | |
|-------|-------|-----------|
| FL | \$ | 1,225,120 |
| TOTAL | \$ | 1,225,120 |



11676

BellSouth Telecommunications, Inc 850 224-7798
South 400 Fax 850 224 5073
150 South Monroe Street
Tallahassee, Florida 32301-1556

Marshall M. Criser III
Regulatory Vice President

June 25, 2002

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
2540 Shumard Oak Circle
Tallahassee, Florida 32399-0805

Subject: BellSouth Promotional Tariff Filing - T-02-0595

Dear Mr. D'Haeseleer:

On June 11, 1002 BellSouth Telecommunications, Inc. filed a promotional tariff (T-02-0595) with an effective date of June 26, 2002. With this letter, BellSouth is filing replacement pages for this tariff filing. Please replace the pages previously filed with these new pages.

Thank you for your attention to this matter. If you need any additional information, please let me know.

Yours very truly,

Marshall M. Criser III
Regulatory Vice President
(2A)

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|---|---|----------------------|
| BellSouth's Service Territory | 2002 Key Customer Program | Customers who participate in this promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks). | 06/26/02 12/31/02 |
| | <p><u>Program Eligibility and Elements</u></p> <p>-Available to new and existing BellSouth business customers subscribing to local exchange service.</p> <p>-Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards.</p> <p>-Subscriber's location must be located in specified wire centers.</p> <p>-Subscriber must sign a 24 or 36-month term election agreement.</p> <p>-Participant must be a BST customer at the time of the reward. The reward amount for a given month is determined by multiplying the eligible billing amount by the applicable percentage rate. That reward amount will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles.</p> <p>-Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement.</p> <p>-Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75).</p> <p>-Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000.</p> <p>-Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center.</p> <p>-Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term.</p> <p>-Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program.</p> | <p>Reward</p> <p>Monthly TBR - 24 months \$75 - \$3,000 10%</p> <p>Monthly TBR - 36 months \$75 - \$3,000 20%</p> <p>-50% Hunting Reward will be given on a contract period of 24 months.</p> <p>-100% Hunting Reward will be given on a contract period of 36 months.</p> <p>The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies.</p> | |

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

Original Page 34.02.2

ISSUED, June 11, 2002

EFFECTIVE, June 26, 2002

BY Joseph P. Lacher, President -FL
Miami, Florida

Note 1: The list of hot wire centers that are eligible for this promotion is listed on Page 34.02.4

ISSUED June 11, 2002

EFFECTIVE June 26, 2002

BY Joseph P. Lacher, President -FL
Miami, Florida

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|--|--|---|
| BellSouth's Service Territory | <p><u>2002 Key Customer Program (Cont'd)</u> <u>Promotion Restrictions</u> -Subscribers with aggregate annual billing per state of BellSouth services exceeding \$36,000 at the time of enrollment are not eligible to participate in this tariffed promotion. -Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states. -Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion. -Subscribers with Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards. -This promotion may not be used concurrently with any previous or existing BellSouth Business Programs. -Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective. -Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST. -BellSouth reserves the right to terminate this program at any time; provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement.</p> | <p>In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section.</p> <p>Monthly TBR (at time of enrollment) \$75-\$149.99 \$25.00* \$150-\$3,000 \$40.00*</p> <p>*Set charge to be multiplied by number of months remaining on term after disconnect</p> | <p>06/26/02 to 12/31/02</p> |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

B. Eligible Hot Wire Centers - Key Customer 2002

| <u>Eligible Hot Wire Centers</u> | <u>Key Customer 2002</u> | |
|----------------------------------|--------------------------|----------------------|
| BCRT BOCA TERCA | HTCHNSON IS MAIN | MIAM W. DADI |
| BOCA RATON MAIN | JCRH-MAIN | MIAM W. MIAMI |
| BCRT SANDALFOOT | JCVL-ARLINGTON | MELBOURNE |
| BROOKSVILLE | JCVL-BEACHWOOD | MNDR-LORETTQ |
| BOYNTON BEACH MAIN | JCVL-FT CAROLINE | NDAD ARCH CREEK |
| COCOA BEACH | JCVL-LAKE FOREST | NDAD BRENTWOOD |
| COCOA-MAIN | JCVL-NORMANDY | JCVL-CLAY STREET MGO |
| COCOA-MERRITT ISLAND | JCVL-OCEANWAY | NDAD GOLDEN GLADES |
| DEBARY DEL TONA | JCVL-RIVERSIDE | NDAD OLETA |
| DEBARY MAIN | JCVL-SAN JOSE | NEW SMYRNA BCH |
| DELAND | JCVL-SAN MARCO | ORLD-AZALEA PARK |
| DLBH KINGS POINT | JCVL-SOUTHPOINT | ORLD-COLONIAL |
| DELRAY BCH MAIN | JCVL-WESCONNETT | ORLD-MAGNOLIA |
| DEERFIELD BEACH MAIN | JUPITER MAIN | ORLD-PINECASTLE |
| DYBH-MAIN | KEY WEST MAIN | ORLD-PINEHILLS |
| DYBH-ORMND BCH | LAKE MARY | LD-SAND LAKE |
| DYBH-PORT ORANGE | MIAM ALHAMBRA | ORPK-MAIN |
| EGLL-INDN HBR BH | MIAM ALLAPATTAH | ORPK-RIDGEWOOD |
| EGLL-BOWE GDNS | MIAM AIRPORT | OVIDO |
| ET LAUD MAIN RELIEF | MIAM BAYSHORE | PERRINE MAIN |
| ETLD CORAL RIDGE | MIAM BISCAYNE | PANAMA CITY BEACH |
| ETLD CYPRESS | MIAM BEACH | PANAMA CITY MAIN |
| ETLD JACARANDA | MIAM CANAL | PMBH CORAL SPRINGS |
| ETLD OAKLAND | MIAM DADELAND BLVD | PMBH FEDERAL |
| ETLD PLANTATION | MIAM FLAGLER | PMBH MARGATE |
| ETLD SAWGRASS | MIAM GRANDE | PMBH TAMARAC |
| ETLD SUNRISE | MIAM HIALEAH | PNSC-BELMONT |
| ETLD WESTON | MIAM INDIAN CREEK | PNSC-FERRY PASS |
| FERNANDINA BCH | MIAM METRO | PNSC WARRNGTON |
| FORT PIERCE MAIN | MIAM NORTH MIAMI | PONTE VEDRA BCH |
| GULF BREEZE | MIAM NORTHSIDE | PORT ST. LUCIE MAIN |
| MAIN | MIAM OPA LOCKA | PTSL SOUTH PTSL |
| HLWD PALM LANDALE | MIAM PALMETTO | SANFORD-O-WS |
| HLWD PEMBROKE PINES | MIAM POINCIANA | STAG-MAIN |
| HLWD WEST HOLLYWOOD | MIAM RED ROAD | STUART MAIN |
| HOLLYWOOD MAIN | MIAM MIAMI SHORES | TITUSVILLE |
| HOMESTEAD MAIN | MIAM SILVER OAKS | VERO BEACH MAIN |
| | MNDR - AVENUES | VRBH BEACHLAND |
| | | WPBH GARDENS |
| | | WPBH GREENACRES |
| | | WPBH HAVERHILL |
| | | WPBH MAIN ANNEX |
| | | WPBH LAKE WORTH |
| | | WPBH RIVIERA BCH |
| | | WPBH RYL PLM BCH |
| | | WWSP-HIGHLAND |
| | | WWSP-SPRING HILL |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|---|---|----------------------|
| BellSouth's Service Territory | 2002 Key Customer Program | | (N) |
| | <u>Program Eligibility and Elements</u> | | (N) |
| | -Available to new and existing BellSouth business customers subscribing to local exchange service. | -Customers who participate in this promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks) | 06/26/02 to 12/31/02 |
| | -Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards. | | |
| | -Subscriber's location must be located in specified wire centers' | | |
| | -Subscriber must sign a 24 or 36-month term election agreement. | | |
| | -Participant must be a BST customer at the time of the reward. The reward amount for a given month is determined by multiplying the eligible billing amount by the applicable percentage rate. That reward amount will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles. | <u>Reward</u> Monthly TBR - 24 months \$75 - \$3,000 10% Monthly TBR - 36 months \$75 - \$3,000 20% | |
| | -Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement. | -50% Hunting Reward will be given on a contract period of 24 months. | |
| | -Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75). | -100% Hunting Reward will be given on a contract period of 36 months. | |
| | -Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000. | The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies. | |
| | -Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center. | | |
| | -Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term. | | |
| | -Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program. | | |

Note 1: The list of hot wire centers that are eligible for this promotion is listed on Page 34.0.2.4.

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|--|--|----------------------|
| BellSouth's Service Territory | 2002 Key Customer Program (Cont'd) | | (S) |
| | Promotion Restrictions | | (S) |
| | -Subscribers with aggregate annual billing, per state of BellSouth services exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion. | In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section | 06/26/02 to 12/31/02 |
| | -Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states | | |
| | -Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion. | | |
| | -Subscribers with Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards. | Monthly TBR (at time of enrollment) | |
| | -This promotion may not be used concurrently with any previous or existing BellSouth Business Programs. | \$75-\$149.99 \$25.00* | |
| | -Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective. | \$150-\$3,000 \$40.00* | |
| | -Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST. | | |
| | -BellSouth reserves the right to terminate this program at any time, provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement. | *Set charge to be multiplied by number of months remaining on term after disconnect | |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

B. Eligible Hot Wire Centers - Key Customer 2002

| Hot Wire Center | Hot Wire Center | Hot Wire Center |
|----------------------|--------------------|----------------------|
| BCRT BOCA TEECA | HTCHNSON IS MAIN | MIAM W. DADE |
| BOCA RATON MAIN | JCBH-MAIN | MIAM W. MIAMI |
| BCRT SANDALFOOT | JCVL-ARLINGTON | MELBOURNE |
| BROOKSVILLE | JCVL-BEACHWOOD | MNDR-LORETTO |
| BOYNTON BEACH MAIN | JCVL-FT CAROLINE | NDAD ARCH CREEK |
| COCOA BEACH | JCVL-LAKE FOREST | NDAD BRENTWOOD |
| COCOA-MAIN | JCVL-NORMANDY | JCVL-CLAY STREET MGO |
| COCOA-MERRITT ISLAND | JCVL-OCEANWAY | NDAD GOLDEN GLADES |
| DEBARY DELTONA | JCVL-RIVERSIDE | NDAD OLETA |
| DEBARY MAIN | JCVL-SAN JOSE | NEW SMYRNA BCH |
| DELAND | JCVL-SAN MARCO | ORLD-AZALEA PARK |
| DLBH KINGS POINT | JCVL-SOUTHPOINT | ORLD-COLONIAL |
| DELRAY BCH MAIN | JCVL-WESCONNETT | ORLD-MAGNOLIA |
| DEERFIELD BEACH MAIN | JUPITER MAIN | ORLD-PINECASTLE |
| DYBH-MAIN | KEY WEST MAIN | ORLD-PINEHILLS |
| DYBH-ORMND BCH | LAKE MARY | ORLD-SAND LAKE |
| DYBH-PORT ORANGE | MIAM ALHAMBRA | ORPK-MAIN |
| EGLL-INDN HBR BH | MIAM ALLAPATTAH | ORPK-RIDGEWOOD |
| EGLL-BOWE GDNS | MIAM AIRPORT | OVIEDO |
| FT LAUD MAIN RELIEF | MIAM BAYSHORE | PERRINE MAIN |
| FTLD CORAL RIDGE | MIAM BISCAYNE | PANAMA CITY BEACH |
| FTLD CYPRESS | MIAM BEACH | PANAMA CITY MAIN |
| FTLD JACARANDA | MIAM CANAL | PMBH CORAL SPRINGS |
| FTLD OAKLAND | MIAM DADELAND BLVD | PMBH FEDERAL |
| FTLD PLANTATION | MIAM FLAGLER | PMBH MARGATE |
| FTLD SAWGRASS | MIAM GRANDE | PMBH TAMARAC |
| FTLD SUNRISE | MIAM HTALEAH | PNSC-BELMONT |
| FTLD WESTON | MIAM INDIAN CREEK | PNSC-FERRY PASS |
| FERNANDINA BCH | MIAM METRO | PNSC WARRINGTON |
| FORT PIERCE MAIN | MIAM NORTH MIAMI | PONTE VEDRA BCH |
| GULF BREEZE | MIAM NORTHSIDE | PORT ST. LUCIE MAIN |
| GSVL-MAIN | MIAM OPA LOCKA | PTSL SOUTH PTSL |
| HLWD HALLANDALE | MIAM PALMETTO | SANFORD-O-WS |
| HLWD PEMBROKE PINES | MIAM POINCIANA | STAG-MAIN |
| HLWD WEST HOLLYWOOD | MIAM RED ROAD | STUART MAIN |
| HOLLYWOOD MAIN | MIAM MIAMI SHORES | TITUSVILLE |
| HOMESTEAD MAIN | MIAM SILVER OAKS | VERO BEACH MAIN |
| | MNDR - AVENUES | VRBH BEACHLAND |
| | | WPBH GARDENS |
| | | WPBH GREENACRES |
| | | WPBH HAVERHILL |
| | | WPBH MAIN ANNEX |
| | | WPBH LAKE WORTH |
| | | WPBH RIVIERA BCH |
| | | WPBH RYL PLM BCH |
| | | WWSP-HIGHLAND |
| | | WWSP-SPRING HILL |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|--|--|----------------------|
| BellSouth's Service Territory | 2002 Key Customer Program | | |
| | <u>Program Eligibility and Elements</u> | | |
| | -Available to new and existing BellSouth business customers subscribing to local exchange service | -Customers who participate in this promotion and subscribe to new service during the promotional period, will receive a reward equal to the line connection charges associated with the service order. This will include the Line Connection Charge (first and additional lines, line equivalents and trunks). | 06/26/02 to 12/31/02 |
| | -Monthly BST revenue for subscriber's location must be \$75 to \$3,000 (excluding hunting, analog private line, and ISDN PRI revenue) to receive the rewards. | | |
| | -Subscriber's location must be located in specified wire centers | | |
| | -Subscriber must sign a 24 or 36-month term election agreement. | | |
| | -Participant must be a BST customer at the time of the reward. The reward amount for a given month is determined by multiplying the eligible billing amount by the applicable percentage rate. That reward amount will appear as a credit in the OC&C section of the Subscriber's bill in a subsequent billing period usually within one or two billing cycles | <u>Reward</u> Monthly TBR - 24 months \$75 - \$3,000 10% Monthly TBR - 36 months \$75 - \$3,000 20% | |
| | -Subscribers with multi-locations that are BTN'd or CLUB billed may have all locations participate as long as one location is in an eligible location and one location meets the revenue requirement. | -50% Hunting Reward will be given on a contract period of 24 months. | |
| | -Should Subscriber's charges decrease below \$75, the Subscriber will not receive the reward until the Subscriber's monthly charges meet this minimum TBR amount (\$75). | -100% Hunting Reward will be given on a contract period of 36 months. | |
| | -Should Subscriber's charges exceed the \$3,000 threshold, the Subscriber will only receive the maximum reward allowed under this Program for monthly charges up to \$3,000. | The total billed charges consists of end-user monthly billed BellSouth regulated charges at qualifying locations excluding: non-regulated charges, 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 services for 911 service and dual party relay services), and charges for services provided by other companies | |
| | -Subscribers with Centrex, MultiServ and ESSX with SLAs not meeting the per location revenue requirement may have all locations participate as long as it is billed under the same account and at least one location is located in a specified wire center. | | |
| | -Once enrolled, if Subscriber moves to a location outside the specified wire center, the term election agreement will continue throughout the remaining term. | | |
| | -Applicable taxes and fees will be based on the full tariff price of all products and services, and no taxes or fees will be added to the amount of any reward under this program. | | |

Note 1: The list of hot wire centers that are eligible for this promotion is listed on Page 34.0.2.4

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are on file with the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|-------------------------------|--|--|----------------------|
| BellSouth's Service Territory | 2002 Key Customer Program (Cont'd) | | |
| | Promotion Restrictions | | |
| | -Subscribers with aggregate annual billing, per state of BellSouth services, exceeding \$36,000 at the time of enrollment, are not eligible to participate in this tariffed promotion. | In the event the Subscriber terminates the election agreement, the Subscriber must pay to BellSouth a termination charge as provided below for the number of months remaining on the agreed upon term. In addition, the Subscriber shall reimburse all rewards for line connection charges. This termination charge will appear on the Subscriber's final bill as a charge in the OC&C section | 06/26/02 to 12/31/02 |
| | -Base and hunting rewards (for hunting service) apply only to BST regulated total billed charges within a state, not across states. | | |
| | -Subscribers participating in a Volume and Term Agreement CSAs are not eligible to participate in this promotion. | | |
| | -Subscribers with Analog Private Line or ISDN PRI services will not be included in qualifying revenue under this program or entitled to rewards. | Monthly TBR (at time of enrollment) | |
| | -This promotion may not be used concurrently with any previous or existing BellSouth Business Programs | \$75-\$149.99 \$25.00* | |
| | -Subscribers currently participating under an existing BST SBS Small Business Promotion local exchange term election agreement may migrate to this promotion without incurring any termination liability from the existing program if the Subscriber has twelve (12) months or less remaining under the existing term election agreement for local exchange services with BellSouth, and the Subscriber agrees to another BST SBS Small Business local exchange term election agreement that provides for an equal or greater number of business access lines than their existing local exchange term election agreement. The new local exchange service term agreement will be based upon monthly business access line rates in effect at the time the new local exchange service term election agreement is effective. | \$150-\$3,000 \$40.00* | |
| | -Payment of the termination charge does not release the Subscriber from other previous amounts owed to BST. | | |
| | -BellSouth reserves the right to terminate this program at any time, provided, however, that Subscribers participating in the program will continue to receive this promotion for the remaining term of their term election agreement. | | |
| | | *Set charge to be multiplied by number of months remaining on term after disconnect | |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

B. Eligible Hot Wire Centers - Key Customer 2002

| Hot Wire Center | Hot Wire Center | Hot Wire Center |
|----------------------|--------------------|----------------------|
| BCRT BOCA TEECA | HTCHNSON IS MAIN | MIAM W. DADE |
| BOCA RATON MAIN | JCBH-MAIN | MIAM W. MIAMI |
| BCRT SANDALFOOT | JCVL-ARLINGTON | MELBOURNE |
| BROOKSVILLE | JCVL-BEACHWOOD | MNDR-LORETTO |
| BOYNTON BEACH MAIN | JCVL-FT CAROLINE | NDAD ARCH CREEK |
| COCOA BEACH | JCVL-LAKE FOREST | NDAD BRENTWOOD |
| COCOA-MAIN | JCVL-NORMANDY | JCVL-CLAY STREET MGO |
| COCOA-MERRITT ISLAND | JCVL-OCEANWAY | NDAD GOLDEN GLADES |
| DEBARY DELTONA | JCVL-RIVERSIDE | NDAD OLETA |
| DEBARY MAIN | JCVL-SAN JOSE | NEW SMYRNA BCH |
| DELAND | JCVL-SAN MARCO | ORLD-AZALEA PARK |
| DLBH KINGS POINT | JCVL-SOUTHPOINT | ORLD-COLONIAL |
| DELRAY BCH MAIN | JCVL-WESCONNETT | ORLD-MAGNOLIA |
| DEERFIELD BEACH MAIN | JUPITER MAIN | ORLD-PINECASTLE |
| DYBH-MAIN | KEY WEST MAIN | ORLD-PINEHILLS |
| DYBH-ORMND BCH | LAKE MARY | ORLD-SAND LAKE |
| DYBH-PORT ORANGE | MIAM ALHAMBRA | ORPK-MAIN |
| EGLL-INDN HBR BH | MIAM ALLAPATTAH | ORPK-RIDGEWOOD |
| EGLL-BOWE GDNS | MIAM AIRPORT | OVIEDO |
| FT LAUD MAIN RELIEF | MIAM BAYSHORE | PERRINE MAIN |
| FTLD CORAL RIDGE | MIAM BISCAYNE | PANAMA CITY BEACH |
| FTLD CYPRESS | MIAM BEACH | PANAMA CITY MAIN |
| FTLD JACARANDA | MIAM CANAL | PMBH CORAL SPRINGS |
| FTLD OAKLAND | MIAM DADELAND BLVD | PMBH FEDERAL |
| FTLD PLANTATION | MIAM FLAGLER | PMBH MARGATE |
| FTLD SAWGRASS | MIAM GRANDE | PMBH TAMARAC |
| FTLD SUNRISE | MIAM HIALEAH | PNSC-BELMONT |
| FTLD WESTON | MIAM INDIAN CREEK | PNSC-FERRY PASS |
| FERNANDINA BCH | MIAM METRO | PNSC WARRINGTON |
| FORT PIERCE MAIN | MIAM NORTH MIAMI | PONTE VEDRA BCH |
| GULF BREEZE | MIAM NORTHSIDE | PORT ST. LUCIE MAIN |
| GSVL-MAIN | MIAM OPA LOCKA | PTSL SOUTH PTSL |
| HLWD HALLANDALE | MIAM PALMETTO | SANFORD-O-WS |
| HLWD PEMBROKE PINES | MIAM POINCIANA | STAG-MAIN |
| HLWD WEST HOLLYWOOD | MIAM RED ROAD | STUART MAIN |
| HOLLYWOOD MAIN | MIAM MIAMI SHORES | TITUSVILLE |
| HOMESTEAD MAIN | MIAM SILVER OAKS | VERO BEACH MAIN |
| | MNDR - AVENUES | VRBH BEACHLAND |
| | | WPBH GARDENS |
| | | WPBH GREENACRES |
| | | WPBH HAVERHILL |
| | | WPBH MAIN ANNEX |
| | | WPBH LAKE WORTH |
| | | WPBH RIVIERA BCH |
| | | WPBH RYL PLM BCH |
| | | WWSP-HIGHLAND |
| | | WWSP-SPRING HILL |

A2. GENERAL REGULATIONS

A2.10 Special Promotions (Cont'd)

A2.10.2 Descriptions (Cont'd)

A. The following promotions are *on file with* the Commission: (Cont'd)

| Area of Promotion | Service | Charges Waived | Period Authority |
|--|--|--|----------------------------|
| (DELETED) | | | (D) |
| (DELETED) | | | (D) |
| BellSouth's Service Territory ¹ | 2002 Key Customer Program | -Eligible monthly revenue is discounted at percentages listed below based on monthly total billed revenue (TBR) and applied as a credit each month on the customer's bill: | 01/31/02 60 06/25/02 |
| | -For business customers served from hot wire centers ² | | |
| | -Customers with Analog Private Line service are not eligible for this promotion | Monthly TBR - 18 months \$75 - \$3,000 10% | |
| | -Customers with Volume and Term Contract Service Arrangements are not eligible to participate in this promotion. | Monthly TBR - 16 months \$75 - \$3,000 25% | (N) |
| | | -50% discount will be given on Rotary Service for a contract period of 18 months. | |
| | | -100% discount will be given on Rotary Service for a contract period of 36 months. | |
| | | -Line Connection Charges will be waived during the promotion sign-up period. | |

Note 1: Customer may elect to participate only once during each promotion.

Note 2: The list of hot wire centers that are eligible for this promotion is listed on Page 34.0.2 1.

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