

DECLASSIFIED CONFIDENTIAL

BellSouth Telecommunications, Inc.
FPSC Docket Nos. 020119/020578-TP
Rebuttal Exhibit JAR-8
November 25, 2002

PROPRIETARY

Rebuttal Exhibit JAR-8

Network Telephone's May 20, 2002 Letter to FPSC

BellSouth's June 19, 2002 Response

(14 pages)

ALL 8.13.04
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This notice of intent was filed in a docketed matter by or on behalf of a "telco" for Confidential DN 12953-02. The confidential material is in locked storage pending staff advice on handling.

(Part of 3)
DOCUMENT NUMBER-DATE

12953 NOV 25 02

FPSC-COMMISSION CLERK

457874T



NETWORK TELEPHONE
VOICE · DATA · VIDEO

Communication has evolved.

2002 MAY 22 AM 8:58
DIVISION OF
COMPETITIVE SERVICES

May 20, 2002

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

RE: Informal Complaint of Network Telephone Regarding BellSouth Marketing Practices

Dear Mr. D'Haeseleer:

Attached please find a flyer that BellSouth distributed to a multi-line Pensacola business customer. Network Telephone has several issues with this ad:

2/16/02 25% discount
25.73 → 19.30
32.95 → 24.71

1. The rate of \$19.30 on the marketing piece is BellSouth's single-line price for Pensacola (Rate Group 6), less the 25% Key Customer discount. However, this flyer was given to a multi-line customer. The maximum discounted price for a multi-line customer in Pensacola is \$24.71, based on BellSouth's tariffed price and promotional discount. BellSouth's advertising is misleading.
2. The ad does not state that the price advertised is limited to single-line customers. In fact, BellSouth has implied otherwise by advertising free hunting on the same flyer. Hunting is only available to multi-line customers. In addition, according to the tariffed terms of the Key Customer promotion, customers must have minimum total billed revenue of \$75 monthly to be eligible. This minimum could easily be more than a single-line monthly bill.
3. The ad states "save at least 25% off BellSouth local service tariffed rates" (emphasis added) when you sign up for a term agreement. The ad is misleading in this respect. The maximum that can be saved off of the tariffed local service charge is 25%, according to the promotion as filed with the FPSC.
4. The ad is focused as a winback. "Come back to BellSouth" is used throughout the flyer. BellSouth advised the FPSC some time ago that it had ceased winback

Florida PSC
May 20, 2002
Page Two

activities in Florida. The Key Customer Program is not couched as a winback plan in the tariff, and is not termed as applicable to customers only in competitive situations. It appears BellSouth may be offering the Key Customer promotion in a discriminatory manner to existing ALEC customers, rather than to the general body of eligible customers.

Network Telephone believes this type of advertising is misleading, is a violation of the tariff BellSouth has filed in Florida, and is being used as a winback campaign.

I would appreciate your investigation and appropriate action.

Sincerely,

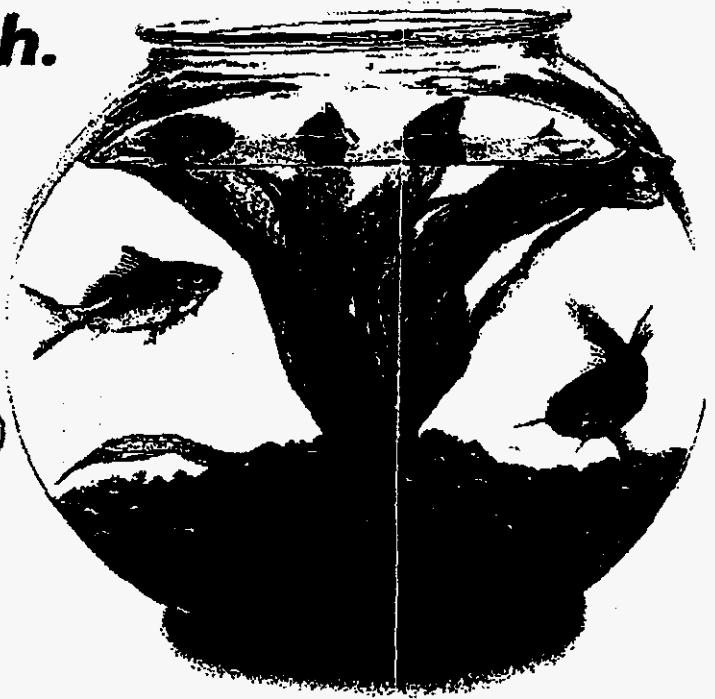
A handwritten signature in cursive script that reads "Margaret H. Ring".

Margaret H. Ring, Director
Regulatory Affairs

Encl.

Come back to BellSouth. Save at least 25%*

on your monthly local
service - that's just **\$19.30**
per line per month.



Plus get:

- Free line installation*
- Hunting at no charge
- Special savings on Internet services

Come back to BellSouth

at at least 25% off BellSouth local service tariffed rates when you select a 36-month term agreement. You'll also get free line installation, free hunting (rollover), and you'll be eligible for special savings on BellSouth Internet services such as BellSouth FastAccess® DSL and BellSouth® Dedicated Internet Access service.

© 2002 BellSouth Corporation. All service marks and trademarks contained herein are the property of BellSouth Intellectual Property Corporation or their respective owners.

Come back to reliability

Come back to BellSouth, your trusted source for quality communications services. With 99.999% dial tone reliability, you can count on the BellSouth network to work for you. That kind of reliability is critical to keeping your business, your customers and your co-workers connected.

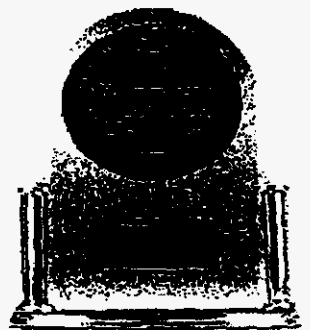
Come back to a wide range of products and services

BellSouth offers much more than just local phone service. From wireless to high speed Internet access, voice messaging, wireless e-mail and more, BellSouth can provide you with a solution that's right for your small business. Since it can all be billed on your BellSouth bill, you'll have only one provider to call. At BellSouth, our goal is to deliver the high-quality, affordable products and services you need to maximize your communication and grow your business.

Come back to BellSouth's superior service

BellSouth, your savings are backed by more than 100 years of quality service. Contact a BellSouth Small Business Specialist today and let us show you how we can benefit your business.

Come back to BellSouth
today and start saving,
call 1-888-868-3943 or visit
www.bellsouth.com/smallbusiness



BellSouth is the 2001 recipient of the J.D. Power and Associates Award for "Highest Customer Satisfaction With Small Business Local Telephone Service Providers."†



BellSouth Telecommunications, Inc.
Regulatory Relations
150 South Monroe Street
Suite 400
Tallahassee, FL 32301

nancy.sims@bellsouth.com

Nancy H. Sims
Director

850 222 1201
Fax 850 222 8640

June 19, 2002

Ms. Shawn Kelly
Bureau of Service Evaluation
Florida Public Service Commission
2450 Shumard Oakes Boulevard
Tallahassee, Florida

RE: Network Telephone - CATS 457874T

Dear Ms. Kelly:

The information contained herein is considered customer proprietary information by BellSouth and should be kept confidential until such time as the customer permits release of the information.

This letter will address the "issues" Network Telephone raised in its May 20, 2002 letter regarding a flyer¹ that BellSouth Telecommunications, Inc. ("BellSouth") distributed to business customers in Pensacola.

Before addressing the four issues set forth in Network Telephone's letter, BellSouth would first like to note that the document attached to Network Telephone's letter – which Network Telephone represents is "a flyer that BellSouth distributed to a multi-line Pensacola business customer" – is incomplete. For one thing, the document attached to Network Telephone's letter consists of only two pages of the flyer. More importantly, although an asterisks appears after the phrase "Save at least 25%," and although a double asterisks appears after the phrase "that's just \$19.30 per line per month," the footnotes that are referenced by those asterisks are inexplicably missing from the document that is attached to Network Telephone's letter.

¹ The flyer referenced in Network Telephone's letter addresses BellSouth's 2002 Key Customer Program, which is described in BellSouth's Florida General Subscriber Service Tariff ("GSST") A2.10.2.A.

Ms. Shawn Kelly
June 19, 2002
Page 2

In order to set the record straight, BellSouth has attached, as Exhibit 1 to this letter, a copy of the flyer that BellSouth actually mailed to a Pensacola business and that the postal service returned to BellSouth as being undeliverable. As you will note, the top half of the document that is attached to Network Telephone's letter is identical to page 4 of BellSouth's flyer. The bottom half of the document that is attached to Network Telephone's letter is identical to page 5 of BellSouth's flyer with one notable – and inexplicable – exception: the bottom half of the document attached to Network Telephone's letter does not include the text of the footnotes that are set forth in the flyer BellSouth mailed to Pensacola businesses. No mention of critical omission is made anywhere in Network Telephone's letter.

As explained below, the footnotes that are missing from the document attached to Network Telephone's letter conclusively address most, if not all, of the "issues" presented in Network Telephone's letter.

1. Network Telephone alleges that BellSouth's flyer is "misleading" because the \$19.30 rate mentioned in the flyer "is BellSouth's single-line price for Pensacola (Rate Group 6), less the 25% Key Customer discount," but the "maximum discounted price for a multi-line customer in Pensacola is \$24.71" The flyer, however, contains a double asterisks after the phrase "that's just \$19.30 per line per month," and the footnote referenced by that double asterisks plainly states that this "[a]mount is the single-line flat rate business line charge that applies for customers in specific areas of GA and FL, discounted by 25%. For FL customers, the charge for multiple lines is higher." (Emphasis added). The text of the footnote that is missing from the document attached to Network Telephone's letter, therefore, squarely addresses Network Telephone's first "issue."
2. Network Telephone alleges that the flyer "does not state that the price advertised is limited to single-line customers." As noted above, however, the flyer plainly makes that very statement in the footnote that is missing from the document attached to Network Telephone's letter.
3. Network Telephone alleges that the flyer is misleading because it states that customers can "save at least 25% off BellSouth local service tariffed rates" under a 36-month term agreement, but the "maximum that can be saved off the tariffed local service charge is 25%, according to the promotion as filed with the FPSC." This allegation, however, ignores the fact that the promotion that was filed with the Commission plainly states that tariffed "Line Connection Charges will be waived during the promotional sign-up period" and that "100% discount will be given on Rotary Service for a contract period of 36 months." See BellSouth's

Florida General Subscriber Service Tariff ("GSST") A2.10.2.A. Consistent with these provisions in the tariff, the flyer states, on page 4, that customers signing a 36-month term agreement will get "free line installation" and "free hunting (rollover)" under the promotion. Thus, a customer that signs a 36-month term contract definitely will save 25% off the tariffed recurring monthly charges for services to which the promotion applies, and the customer may also receive additional savings by way of free hunting and free installation charges. The statement in the flyer that customer can save at least 25% off their monthly service when they sign a 36-month, therefore, is entirely accurate and not misleading.

4. Network Telephone alleges that the flyer "is focused as a winback"² and that "[i]t appears that BellSouth may be offering the Key Customer promotion in a discriminatory manner to existing ALEC customers, rather than to the general body of eligible customers." While it would be entirely appropriate for BellSouth to offer a promotion solely to new or former customers, the 2002 Key Customer Program simply is not such a program. BellSouth's tariff provides that the program is available to all business customer that are served from hot wire centers, see GSST A2.10.2.A, and in the text of the first footnote on page 5, the flyer provides that the promotion is "[a]vailable to new and existing BellSouth Small Business Customers" in specific areas of Florida. Moreover, BellSouth targets both new and existing business customers that meet the eligibility requirement in the marketing of the Key Customer Program, see Docket No. 020119-TP, BellSouth's Response to Staff's Second Set of Interrogatories, Item No. 4b, 4c, and BellSouth markets this promotion to both new and existing customers. See Docket No. 020119-TP, BellSouth's Response to Staff's Second Set of Interrogatories, Item No. 4a; BellSouth's Response to Staff's Second Request for Production of Documents, Item No. 5. In fact, Exhibit 2 to this letter is a copy of a flyer addressing this promotion that was sent to *existing* BellSouth customers in the

² BellSouth does not know to what Network Telephone is referring when it alleges that "BellSouth advised the FPSC some time ago that it had ceased winback activities in Florida." In the context of the promotion addressed by Network Telephone's letter, however, this allegation is simply irrelevant. As explained below, BellSouth markets this promotion to both new and existing customers. In any event, BellSouth has never suggested that once it has lost a customer to an ALEC, BellSouth would cease making efforts to serve that customer again. Neither the law nor sound policy suggest that ALECs like Network Telephone should be insulated from having a competitor compete for a customer that it has won from that competitor.

Ms. Shawn Kelly
June 19, 2002
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Pensacola area. Thus, Network Telephone's concern that BellSouth is not offering this promotion to its existing customers is simply unfounded.

We trust that the foregoing adequately addresses the fact that none of the "issues" set forth in Network Telephone's letter have any merit. If you need any additional information, please do not hesitate to contact me.

If you have any further questions, please do not hesitate to call.

Yours very truly,


Director-Regulatory Relations
(22)



1057 Lenox Park Blvd.
Suite 3810
Atlanta, GA 30319

FIRST CLASS
U.S. POSTAGE
PAID
PERMIT 1167
MARIETTA, GA

ADDRESS SERVICE REQUESTED

> come back >>

to the service and quality that you and your small business deserve

ATTEMPTED,
NOT KNOWN



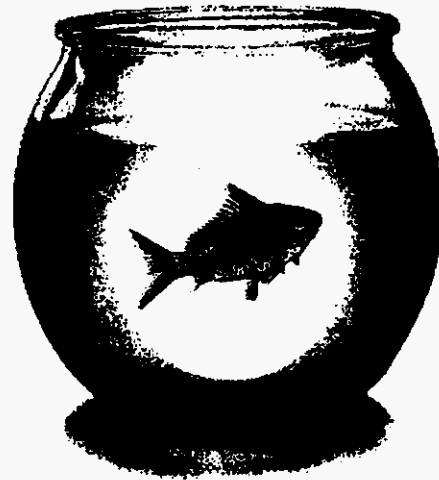
PRSRTO *****AUTO**5-DIGIT 32505 T7 P1
LISA ANTHONY
ENTERTAINMENT TOUR DESIGN
6503 N W ST
PENSACOLA FL 32507-3714

*Act now and
save at least 25% on your
local monthly service—plus free hunting!**

1-888-868-3943 www.bellsouth.com/smallbusiness

EXHIBIT 1

**Perhaps
it's not all you
expected.**



 **BELLSOUTH**

- *Is the deal as good as you thought?*
- *Did you sacrifice reliability for savings?*
- *Do you have access to a full range of products and services?*
- *Are you getting the customer service you deserve?*

Come back to BellSouth.

**Save at
least 25%***

**on your monthly local
service – that's just \$19.30
per line per month.****

Plus get:

- Free line installation*
- Hunting at no charge
- Special savings on Internet services

Come back to BellSouth

Get at least 25% off BellSouth local service tariffed rates when you select a 36-month term agreement. You'll also get free line installation, free hunting (rollover), and you'll be eligible for special savings on BellSouth Internet services such as BellSouth FastAccess® DSL and BellSouth® Dedicated Internet Access service.



Come back to reliability

Come back to BellSouth, your trusted source for quality communications services. With 99.999% dial tone reliability, you can count on the BellSouth network to work for you. That kind of reliability is critical to keeping your business, your customers and your co-workers connected.

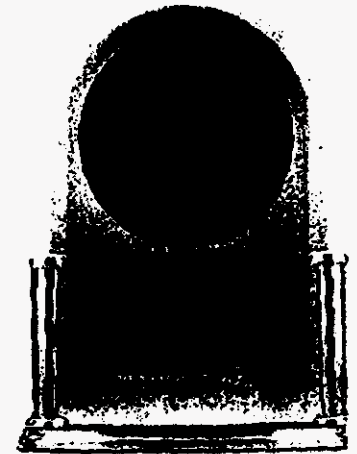
Come back to a wide range of products and services

BellSouth offers much more than just local phone service. From wireless to high speed Internet access, voice messaging, wireless e-mail and more, BellSouth can provide you with a solution that's right for your small business. Since it can all be billed on your BellSouth bill, you'll have only one provider to call. At BellSouth, our goal is to deliver the high-quality, affordable products and services you need to maximize your communications and grow your business.

Come back to BellSouth's superior service

At BellSouth, your savings are backed by more than 100 years of quality service. Contact a BellSouth Small Business Specialist today and let us show you how we can benefit your business.

*Come back to BellSouth
today and start saving,
call 1-888-868-3943 or visit
www.bellsouth.com/smallbusiness*



BellSouth is the 2001 recipient of the J.D. Power and Associates Award for "Highest Customer Satisfaction With Small Business Local Telephone Service Providers."†

* Available to new and existing BellSouth Small Business customers - in specific areas of GA and FL - without current volume, term or other contracts. 100% hunting discount applies. Excludes analog private line service. Savings will vary. Savings and installation waiver require monthly spending between \$75 and \$3000 for local tariffed services and a 36-month term agreement. Termination charges may apply. 18-month term agreement also available at lower discount rate. Other restrictions apply. Call a BellSouth Small Business Specialist for details. Offer expires 8/25/02.
** Amount is the single-line flat rate business line charge that applies to customers in specific areas of GA and FL, discounted by 25%. For FL customers, the charge for multiple lines is higher.
† J.D. Power and Associates 2001 Small Business Telecommunications Study.™ Study conducted among 2,511 business users with 2-99 employees. www.jdpower.com

With other savings offers, there may be something missing — like reliable service.

save at least 25%



See inside for your personalized savings estimate...

With BellSouth, there's nothing missing.

Anybody can offer you savings. BellSouth offers you more.

As a BellSouth customer for over [XX] years, you've continued to enjoy reliable service from industry experts and a variety of products designed to help you grow your business. But we know savings are important to you as well. You qualify for our Key Customer Program, so we are offering BellSouth savings to your small business.

Choose a Key Customer term election agreement now and save at least 25% on your monthly tariffed local phone bill — plus keep the extremely reliable and responsive service BellSouth is known for. Furthermore, J.D. Power and Associates ranked BellSouth "Highest Customer Satisfaction with Small Business Local Telephone Service Providers."** To find out how much you can save, just review the personalized savings estimate below.

Personalized savings estimate prepared for:
Longfirstname Longlastname's Restaurant

Your current average monthly BellSouth bill for local tariffed charges:	\$XXX,XXX.XX
Your estimated average monthly BellSouth bill with term agreement:	\$XXX,XXX.XX
Your estimated total annual savings:	\$XXX,XXX.XX***

Your savings estimate is based on your average local tariffed charges for the past three months and your selection of a 36-month term election agreement. Your term election agreement may also entitle you to additional savings on a variety of BellSouth services.

Here's how to start saving:

1. Read the terms and conditions on the back of this mailer.
2. Complete and sign the attached reply card.
3. Detach the card, seal the bottom edges with tape and mail.

Hurry! Offer expires April 30, 2002!

If you've already signed a term agreement, you know how valuable BellSouth Small Business savings are, so please disregard this message. If you have any questions, please call 1-XXX-XXX-XXXX.

* Only available to BellSouth small business customers in specific areas without current volume, term or other contracts. Excludes analog private line services. Savings will vary and require monthly standing for local tariffed service between \$75 and \$5,000 and 3-year term agreement. 10% funding checkoff applies. Other restrictions apply.

** J.D. Power and Associates 2001 Small Business Telecommunications Study**. Study conducted among 2,311 business users with 2-50 employees. www.jdpower.com.

*** Savings apply only; actual user information on appropriate savings available at the start of the election period. Customer will receive savings actually incurred. Termination charges may apply.

Please check the term election length you are selecting and sign where indicated below. Detach this card, seal the bottom edges with tape and mail!

Hurry! Offer expires April 30, 2002!

L11000CXX

Yes

I want to reduce my local regulated phone bill with the following term election agreement (term length checked below) and understand and agree to the conditions set forth on the attached form. 36-month 18-month

Signature: X _____ Date: _____

I understand that my signature constitutes my company's (as set forth below) endorsement in the Key Customer Program under this term election agreement under the conditions set forth on the Subscriber Election; I have authority to enroll my company to this term election agreement.

Please print your name: X _____

XXXXXXXXXX-X-XX-XXXX
Sample A. Sample
ABC Company
123 Main Street
Anytown, US 12345-6789
*** BAR CODE ***

Title: _____ Business Telephone: _____

Business E-mail: _____

FOT 0000-0 Response

EXHIBIT 2

©2002 BellSouth Corporation. All BellSouth trademarks and service marks contained herein are the property of BellSouth Intellectual Property Corporation.

PRINTED ON RECYCLED PAPER

BellSouth Key Customer Program Subscriber Election — Georgia & Florida
 The undersigned Subscriber elects to participate in the BellSouth Key Customer Program (the "Program"), and agrees to the following:

1. Subscriber is a new or existing BellSouth Telecommunications, Inc. ("BellSouth") business services subscriber in Georgia or Florida and has monthly-billed BellSouth regulated charges* (as defined in the applicable BellSouth tariff) of each such location between \$75 and \$3,000. Subscriber agrees to keep local services with BellSouth under its General Subscriber Services Tariff (G.S.S.T) or Private Line Services Tariff, for a minimum of eighteen (18) or thirty-six (36) months from the enrollment date in the Program. The enrollment date shall be determined by the first billing cycle date in which Subscriber receives the discount off its BellSouth regulated charges as set forth in paragraph 2, below.

3. The Hunting Bonus Discount will apply to the Subscriber's recurring charge for Hunting service commensurate with the term of the election Subscriber chooses (Hunting is also defined as Rotary Line Service).

4. For each month during which this contract is in effect, Subscriber will receive the discount associated with Subscriber's monthly total billed BellSouth regulated charges* (as defined in the applicable BellSouth tariff) for that particular month in each state as approved by regulatory authority. If such charges fall below the minimum revenue per month, discounts will not be applied for such locations. The applied discounts will appear as a credit in the Other Charges and Credits (OC&C) section of the Subscriber's bill. All business local service will continue after the election term has expired, after which Subscriber agrees to pay full tariffed charges.

5. In the event Subscriber discontinues business local service with BellSouth prior to the expiration of the term, Subscriber shall pay to BellSouth the amount of discounted charges for its local services that the Subscriber had received as a result of Subscriber's participation in the Program. In addition, Subscriber shall pay to



2. Subscriber agrees to the following term and discount:

Monthly Billed BellSouth Regulated Charges*	Eighteen (18) Month Term	Thirty-six (36) Month Term
\$75 - \$3,000.00	10%	25%
Hunting Bonus Discount	50%	100%

The total monthly billed charges consist 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.

BellSouth the amount of \$100 representing the costs of administration and acquisition incurred by BellSouth. Tariffed termination liability charges may apply if applicable.

6. In the event Subscriber changes service locations for business local service, Subscriber shall notify its BellSouth Small Business Office to advise of the change in service location.

7. In the event Subscriber is switched without authorization by another carrier for business local service, Subscriber must call its BellSouth Small Business Office to continue the Program once the improperly switched account has been returned to BellSouth.

8. This election is subject to and controlled by the provisions of BellSouth's tariffed filed tariffs, including any changes therein as may be made from time to time.

Version 030902
 PLEASE RETAIN FOR YOUR RECORDS. 0000-0 Key Program Terms and Conditions

BELLSOUTH
 1067 Lenox Park Blvd.
 Suite 3630
 Atlanta, GA 30319

PRESORTED
 FIRST-CLASS MAIL
 U.S. POSTAGE
 PERMIT NO. 102
 JACKSONVILLE
 FL 32203

Now save at least 25% a year on your local phone bill and keep the reliable BellSouth service your small business needs!!



NO POSTAGE
 NECESSARY
 IF MAILED
 IN THE
 UNITED STATES

BUSINESS REPLY MAIL
 FIRST-CLASS MAIL PERMIT NO. 102 JACKSONVILLE, FL
 POSTAGE WILL BE PAID BY ADDRESSEE
BELLSOUTH
 PO BOX 2656
 JACKSONVILLE FL 32203-8706



"Highest Customer Satisfaction
 with Small Business Local
 Telephone Service Providers."™



ISSM2310

PROPRIETARY

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF W. BERNARD SHELL
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NOS. 020119-TP and 020578-TP
NOVEMBER 25, 2002

Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A. My name is W. Bernard Shell. My business address is 675 W. Peachtree St., N.E., Atlanta, Georgia. I am a Manager in the Finance Department of BellSouth Telecommunications, Inc. (hereinafter referred to as "BellSouth"). My area of responsibility is the development of economic costs.

Q. ARE YOU THE SAME W. BERNARD SHELL THAT FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes. I filed direct testimony on October 23, 2002.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the testimony of Ms. Danyelle Kennedy, representing the Florida Competitive Carriers Association ("FCCA"). My testimony will address her claim regarding the waiver of installation charges.

Q. ARE MS. KENNEDY'S ASSERTIONS CONCERNING INSTALLATION

CONFIDENTIAL (part 2 of 3)
DECLASSIFIED DN 12953-02
MR 8.13.04

PROPRIETARY

1 **CHARGES CORRECT?**

2

3 A. No. BellSouth evaluated the impact of the waiver of the installation charges in its
4 Key Customer offerings. The only installation charges waived by BellSouth are
5 the Line Connection charges contained in Section A4 of the General Subscriber
6 Service Tariff. The costs associated with these installation charges are included in
7 BellSouth's Key Customer margin analysis that is discussed in my direct
8 testimony, and the rates of the Key Customer service offerings are at or above
9 BellSouth's Total Service Long Run Incremental Cost ("TSLRIC") even with the
10 waiver of installation charges. Therefore, other customers or service offerings do
11 not subsidize the Key Customer offerings.

12

13 **Q. PLEASE DESCRIBE THE ANALYSIS CONCERNING THE WAIVER OF**
14 **INSTALLATION CHARGES.**

15

16 A. Installation charges (Line Connection charges as tariffed in Section A4 of the
17 Tariff) apply on a per customer request basis. For example, if a business customer
18 requests two lines, BellSouth would apply the appropriate charge for the first line
19 requested (\$56.00) and the additional line charge (\$12.00) for each additional line
20 requested at the same time to be provided on the same date on the same premises.
21 The costs associated with these installation charges were factored into the analysis
22 of the Key Customer offerings. Exhibit WBS-1, attached to my direct testimony in
23 this docket, demonstrates that the cost analysis includes the maximum per-line
24 Line Connection cost **(\$33.69)** because most customers who qualify for the
25 Key Customer offerings will have more than one line. The Line Connection costs

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1 are the costs associated with the waived installation charges. If three or more lines
2 were used, the per-line cost would be less since the cost per additional line is less
3 than the cost for the first line. In other words, the additional line installed adds a
4 lower additional cost such that the per line average cost would be less. The
5 maximum per-line cost is then converted to a per-month, per-line cost by dividing
6 the maximum per-line cost by 36 months, which results in a per-month, per-line
7 cost of ****\$0.94****. Thirty-six months was used since this is the term of agreement
8 required to receive the maximum percent discount used in this analysis. Exhibit
9 WBS-1 evaluated the 1FB basic business service ("1FB") to ensure that it would
10 be above cost in all rate groups when discounted at the maximum level. Because
11 the resulting monthly 1FB margins after discounting at the maximum level are
12 significantly more than the Line Connection per-month cost of ****\$0.94****, it is
13 clear that the discounted 1FB is above cost, notwithstanding the waived
14 installation charges. Additionally, Exhibit WBS-3, attached to this testimony,
15 demonstrates that the margins for the individual rate elements or the margins
16 resulting from the development of a typical or minimal configuration are more than
17 the Line Connection per-month cost of ****0.94****. Thus, all of the Key Customer
18 offerings are above cost.

19

20 **Q. PLEASE DISCUSS MS. KENNEDY'S ASSERTION ABOUT WHOLESALE**
21 **NONRECURRING CHARGES.**

22

23 A. Because Ms. Kennedy did not explain what nonrecurring rates she relied upon to
24 quote the wholesale charges of \$254.62 and \$132.69, it is difficult to address them.
25 However, Ms. Kennedy seems to be implying that there are numerous nonrecurring

PROPRIETARY

1 charges that BellSouth waives in the Key Customer promotion. As I have
2 explained above, BellSouth only waives the installation charges contained in
3 Section A4 of the Tariff. BellSouth does not waive the service-specific
4 provisioning nonrecurring charges found in the same section of the tariff where the
5 recurring/monthly charges for a service are located. For example, MegaLink
6 Service has a service-specific provisioning nonrecurring charge of \$350.00 located
7 in section B7.1.3 of the tariff. This charge is not waived. The Key Customer
8 offerings do not waive the service-specific nonrecurring charges related to a
9 particular service.

10

11 Exhibits WBS-1 and WBS-3 show that the rates for BellSouth's Key Customer
12 offerings are provided at or above TSLRIC after the waiver of the one-time
13 installation charge contained in Section A4 of the Tariff.

14

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16

17 A. Yes.

18

19

20

21

22

23

24

25

0.75										
Code	Description	Qty	Revenue	Rate Type	BSC Rate	Net	Recovery	Margin		
P2JQX	IntraLATA Private Line Service, Voice Grade Local Channel	46	\$1,748.00	Tariff	\$38.00	\$396.10	\$41.53	(\$24.03)	Excluded	
P2JMX	IntraLATA Private Line Service, Voice Grade Local Channel	312	\$11,224.65	Tariff	\$39.00	\$398.06	\$41.45	(\$23.26)	Excluded	
P2JNX	IntraLATA Private Line Service, Voice Grade Local Channel	41	\$1,521.00	Tariff	\$39.00	\$396.10	\$41.45	(\$23.20)	Excluded	
1LHB4	Mileage-Foreign Exchange service, distance sensitive	437	\$1,769.85	Calc	\$4.05	\$84.64	\$23.66	(\$22.97)	Excluded	
P2JHX	IntraLATA Private Line Service, Voice Grade Local Channel	507	\$13,026.00	Tariff	\$26.00	\$389.76	\$27.62	(\$18.95)	Excluded	
P2JUX	IntraLATA Private Line Service, Voice Grade Local Channel	188	\$4,836.00	Tariff	\$26.00	\$369.50	\$26.91	(\$17.67)	Excluded	
P2JLX	IntraLATA Private Line Service, Voice Grade Local Channel	38	\$1,140.00	Tariff	\$30.00	\$462.64	\$26.98	(\$17.33)	Excluded	
FP115	Broadband Exchange Line Customers Premise to Wire Center at 1.536 Mbps	362	\$50,569.31	Calc	\$139.69	\$442.64	\$108.78	(\$16.31)	Frame	
1E6X	Pvt line-local channel tie line service, type 2110	180	\$2,609.20	Calc	\$14.50	\$344.40	\$14.06	(\$12.76)	EXTSERV	
1E6Q	Pvt line-local channel tie line service, type 2110	3,143	\$45,842.15	Calc	\$14.59	\$344.40	\$14.06	(\$12.69)	EXTSERV	
1E6Y	Pvt line-local channel tie line service, type 2110	93	\$1,379.40	Calc	\$14.83	\$344.40	\$14.06	(\$12.50)	EXTSERV	
1RSD3	IntraLATA Private Line Service, SynchroNet Service, Digital Local Service	60	\$2,800.85	Tariff	\$49.35	\$419.26	\$37.77	(\$12.40)	Excluded	
1RSD9	IntraLATA Private Line Service, SynchroNet Service, Digital Local Channel	38	\$1,692.25	Tariff	\$49.35	\$419.26	\$37.77	(\$12.40)	Excluded	
1LDPZ	MegaLink Local Channel, First 1/2 Mile	347	\$31,915.32	Tariff	\$95.05	\$155.91	\$78.13	(\$11.17)	MLINK	
P1JAX	IntraLATA Private Line Service, Sub-Voice Grade Local Channel	131	\$2,149.90	Tariff	\$17.60	\$344.40	\$14.06	(\$10.43)	Excluded	
3LBBB	IntraLATA Private Line Service, Interoffice Channel, Voice Grade-Fixed	3,337	\$11,574.59	Tariff	\$30.00	\$231.27	\$23.94	(\$7.86)	Excluded	
SBLFX	Back-Up Line	2,741	\$38,240.02	Calc	\$13.95	\$0.00	\$16.39	(\$5.93)	BACKUPFL	
SL5	IntraLATA Private Line Service, Automatic ringdown signaling arrangement	144	\$1,377.40	Tariff	\$9.70	\$129.43	\$8.37	(\$4.69)	Excluded	
1L9FX	Foreign Exchange Mileage-Fixed	29,041	\$90,565.52	Tariff	\$28.50	\$84.64	\$23.66	(\$4.64)	FEXC	
1LHGV	Foreign Central Office mileage-Fixed	3,259	\$24,475.85	Tariff	\$28.50	\$84.64	\$23.66	(\$4.64)	FEXC	
S6DBD	Dual Tone Multifrequency pulsing option on DID	1,416	\$10,590.00	Tariff	\$7.50	\$0.00	\$8.60	(\$2.98)	Excluded	
TM5	PBX Service, combination message rate trunk, additional	3,059	\$55,915.95	Calc	\$18.28	\$0.00	\$16.39	(\$2.68)	PBX	
M4LFA	Station Link Flat Rate	3,114	\$48,097.00	Calc	\$15.45	\$0.00	\$13.43	(\$1.84)	CENTREX	
1L9FX	Foreign Exchange Mileage-Measured	29,041	\$90,565.52	Tariff	\$1.60	\$84.64	\$0.58	(\$1.73)	FEXC	
1LHGV	Foreign Central Office mileage-Measured	3,259	\$24,475.85	Tariff	\$1.65	\$84.64	\$0.58	(\$1.69)	FEXC	
TM3	PBX Service, outward message rate trunk, additional	203	\$3,979.19	Calc	\$19.60	\$0.00	\$16.39	(\$1.69)	PBX	
SAU	IntraLATA Private Line Service-Type B signaling arrangement	191	\$1,026.00	Tariff	\$5.40	\$17.77	\$5.16	(\$1.60)	Excluded	
M4LFH	Station Links Equipped with Caller ID Flat Rate	546	\$8,617.80	Calc	\$15.78	\$0.00	\$13.43	(\$1.60)	CENTREX	
EKMOX	Main station line, distance sensitive	67	\$1,033.55	Calc	\$15.43	\$0.00	\$13.14	(\$1.57)	ESSX	
QENAA	Standard Features per Station Line, each	3,381	\$13,354.95	Tariff	\$3.95	\$19.45	\$3.92	(\$1.50)	CENTREX	

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1091X	FX Local Channel-Primary Channel	1,603	\$32,845.95	Tariff	\$21.15	\$0.00	\$16.39	(\$0.53)	FEXC
M1M52	5ESS Feature Group 2	205	\$1,603.00	Calc	\$7.82	\$0.00	\$6.36	(\$0.50)	MSERV
EKMNX	Digital ESSX Service, Wire Center Lines, up to 2 1/2 miles, per Line	2,517	\$16,757.40	Calc	\$6.66	\$0.00	\$5.40	(\$0.41)	ESSX
1PQWU	MegaLink/LightGate, analog trunk feature activation at central office	2,789	\$15,833.80	Calc	\$5.68	\$5.43	\$4.45	(\$0.34)	megalink
1LNO1	Interoffice channel mileage, fixed rate, 0-8 miles	23	\$1,304.09	Tariff	\$59.75	\$88.79	\$42.54	(\$0.19)	MLINK
1LNO2	Interoffice channel mileage, fixed rate, 9-25 miles	20	\$1,149.08	Tariff	\$59.75	\$88.79	\$42.54	(\$0.19)	MLINK
DS1FN	ISDN Conference Drop Hold and Transfer	500	\$1,356.40	Calc	\$2.71	\$0.36	\$2.02	\$0.002	Note 1
1RSD6	IntraLATA Private Line Service, SynchroNet Service, Digital Local Service	41	\$2,449.30	Tariff	\$69.10	\$504.95	\$37.77	\$0.03	Excluded
A6SBX	WatchAlert Service Business Line	2,488	\$22,392.00	Tariff	\$9.00	\$42.36	\$5.48	\$0.09	Note 2
MWW	Message Waiting - Stutter Dialtone	46,668	\$17,537.25	Calc	\$0.38	\$0.00	\$0.02	\$0.27	Note 1
1LBE	Mileage-extension line	2,595	\$2,975.05	Calc	\$1.15	\$0.00	\$0.58	\$0.28	Note 3
NSQ	Repeat Dialing (*66)	49,559	\$3,552.00	Tariff	\$1.50	\$0.00	\$0.71	\$0.42	Note 1
FCS	Flexible Call Forwarding	2,961	\$9,262.00	Tariff	\$5.00	\$0.00	\$3.32	\$0.43	Note 1
ELXO1	Package of 3 features, Group A	683	\$1,134.25	Calc	\$1.66	\$0.00	\$0.75	\$0.50	Note 1
SMV	Surrogate Client Number (Voice Messaging Identification Number)	794	\$1,977.00	Calc	\$2.49	\$0.00	\$1.31	\$0.56	Note 1
NSS	Call Return (*69)	76,419	\$64,583.00	Tariff	\$1.50	\$0.00	\$0.43	\$0.70	Note 1
1MBCL	Business Message Rate Line	124	\$2,843.31	Calc	\$22.93	\$0.00	\$16.39	\$0.81	Note 4
NSY	Call Block (*60)	44,271	\$9,702.00	Tariff	\$1.50	\$0.00	\$0.19	\$0.94	Note 1
1LPG5	Mileage-pvt line channel, voice grade	448	\$1,209.60	Calc	\$2.70	\$0.00	\$0.93	\$1.10	Note 3
DS1FG	Additional Call Appearance of the Primary Directory Number	1,458	\$2,302.50	Calc	\$1.58	\$0.18	\$0.06	\$1.12	Note 1
3LBS	IntraLATA Private Line Service, Interoffice Channel, Voice Grade-Measured	3,337	\$11,574.59	Tariff	\$1.65	\$0.00	\$0.06	\$1.18	Note 3
SRG	Selective Class of Call Screening	2,285	\$3,818.10	Calc	\$1.67	\$0.00	\$0.05	\$1.20	Note 1
1RSD5	IntraLATA Private Line Service, SynchroNet Service, Digital Local Channel	327	\$19,944.47	Tariff	\$69.10	\$462.10	\$37.77	\$1.22	Excluded
NST	Call Tracing (*57)	31,309	\$5,159.00	Tariff	\$2.00	\$0.00	\$0.23	\$1.27	Note 1
1MB	Business Message Rate Line	4,320	\$102,152.77	Calc	\$23.65	\$0.00	\$16.39	\$1.35	Note 4
HBY	Anonymous Call Rejection	966	\$3,848.00	Calc	\$3.98	\$0.00	\$1.59	\$1.40	Note 1
ESL	8 Code Speed Calling	9,670	\$5,315.00	Tariff	\$2.00	\$0.00	\$0.04	\$1.46	Note 1
GCJRC	Call Forwarding Don't Answer Ring Control	52,398	\$106,675.50	Calc	\$2.04	\$0.00	\$0.01	\$1.52	Note 1
GCE	Call Forwarding Busy Line	48,323	\$102,773.50	Calc	\$2.13	\$0.00	\$0.01	\$1.59	Note 1
3LBFA	SynchroNet Interoffice Channel, each Mile or Fraction Thereof	1,597	\$4,030.66	Calc	\$2.52	\$0.00	\$0.02	\$1.87	Note 3
3LBDA	SynchroNet Interoffice Channel, each Mile or Fraction Thereof	1,104	\$2,786.79	Calc	\$2.52	\$0.00	\$0.02	\$1.87	Note 3
3LBBA	SynchroNet Interoffice Channel, each Mile or Fraction Thereof	424	\$1,075.77	Calc	\$2.54	\$0.00	\$0.02	\$1.88	Note 3
MVP	Call Hold, Intercom, Call Pickup, User Transfer/Conferencing	197	\$1,182.00	Tariff	\$6.00	\$0.00	\$2.54	\$1.96	Note 1

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MVPAL	Prestige Service, Additional Line	355	\$2,130.00	Tariff	\$6.00	\$0.00	\$2.54	\$1.96	Note 1
GCJ	Call Forwarding Don't Answer	45,443	\$121,785.25	Calc	\$2.68	\$0.00	\$0.01	\$2.00	
ESF	30 Code Speed Calling	20,856	\$3,354.08	Tariff	\$3.00	\$0.00	\$0.05	\$2.20	
M1LFA	MultiServ Station Link Flat Rate each	649	\$21,858.00	Tariff	\$36.00	\$0.00	\$24.68	\$2.32	
M1LFH	MultiServ Station Link Equipped with Caller ID Flat Rate each	114	\$3,960.00	Tariff	\$36.00	\$0.00	\$24.68	\$2.32	
FP164	KBPS	119	\$6,789.00	Calc	\$57.05	\$429.23	\$28.52	\$2.34	
ESM	Call Forwarding	42,426	\$138,454.16	Calc	\$3.26	\$0.00	\$0.04	\$2.41	
LQTEB	ISDN Threshold Pricing, Basic Rate DSL Access Arrangement, Business	212	\$11,660.00	Tariff	\$55.00	\$255.07	\$31.57	\$2.59	
LQTTB	ISDN Threshold Pricing, Basic Rate DSL Access Arrangement, Business	3,242	\$178,290.20	Tariff	\$55.00	\$255.07	\$31.57	\$2.59	
LTBLB	Individual Line ISDN Business - Low Volume Access/Digital Subscriber Line (283	\$15,510.00	Tariff	\$55.00	\$255.07	\$31.57	\$2.59	
DRS	RingMaster I - One RingMaster Number with Distinctive Ringing	5,618	\$19,280.00	Tariff	\$4.00	\$0.00	\$0.36	\$2.64	
ESC	Three-Way Calling	35,530	\$45,023.00	Tariff	\$4.70	\$0.00	\$0.83	\$2.70	
ESCWT	Three-Way Calling with Transfer	37,855	\$17,066.00	Tariff	\$4.95	\$0.00	\$0.83	\$2.88	
ESX	Call Waiting	37,940	\$157,682.00	Calc	\$4.16	\$0.00	\$0.01	\$3.11	
EY2N	User Transfer and Conferencing	9,669	\$67,669.00	Calc	\$7.00	\$0.00	\$2.05	\$3.20	
M9QCX	NAR Package Both Way Flat Rate	1,653	\$26,904.87	Calc	\$16.28	\$0.00	\$9.01	\$3.20	
M2RED	Meet Me Conference Executive Conference per Conference Number	73	\$1,205.25	Tariff	\$15.50	\$0.00	\$8.40	\$3.23	
TJT	Long distance trunks arranged for connection to company's toll switchboard	149	\$3,922.34	Calc	\$26.32	\$0.00	\$16.39	\$3.35	
EY33	User Transfer/Conferencing and Call Hold	311	\$2,488.00	Calc	\$8.00	\$0.00	\$2.52	\$3.48	
EDA	Network Access Register Flat Rate Service, 2-Way Operation, each (ESSX)	1,363	\$22,706.03	Calc	\$16.66	\$0.00	\$9.01	\$3.49	
EY32	User Transfer/Conferencing and Call Pickup	293	\$2,193.00	Calc	\$7.48	\$0.00	\$2.08	\$3.53	
TJTXA	Long distance trunks connected to Telco toll switchboard or DDD network	120	\$3,207.23	Calc	\$26.73	\$0.00	\$16.39	\$3.66	
CREX1	Custom Toll Restriction	7,268	\$36,335.50	Calc	\$5.00	\$0.00	\$0.07	\$3.68	
CREXA	Custom Toll Restriction plus expanded local calling	6,595	\$32,986.00	Calc	\$5.00	\$0.00	\$0.06	\$3.69	
EDGPA	Call Forwarding Don't Answer	2,364	\$11,820.00	Calc	\$5.00	\$0.00	\$0.01	\$3.74	
NRX3X	ESSX Intercom Charge, per flat rate main station	2,650	\$24,093.40	Calc	\$9.09	\$0.00	\$3.00	\$3.82	
GCZ	Remote Activation of Call Forwarding	41,554	\$99,340.00	Tariff	\$5.20	\$0.00	\$0.03	\$3.87	
TMC	PBX Service, combination message rate trunk, first	682	\$18,518.59	Calc	\$27.15	\$0.00	\$16.39	\$3.98	
EATPA	Call Forwarding	1,860	\$10,224.50	Calc	\$5.50	\$0.00	\$0.04	\$4.08	
DRS1X	RingMaster II - First RingMaster Number with Distinctive Ringing	643	\$1,908.00	Tariff	\$6.00	\$0.00	\$0.37	\$4.13	
BUA	Business measured line	168	\$4,597.70	Calc	\$27.37	\$0.00	\$16.39	\$4.14	
FP156	KBPS	75	\$4,384.10	Calc	\$58.45	\$400.78	\$28.52	\$4.18	

TMU	Message rate, PBX trunk, outdial, first	37	\$1,015.22	Calc	\$27.44	\$0.00	\$16.39	\$4.19
EBY48	User Transfer/Conferencing, Call Pickup and Call Hold	341	\$3,069.00	Calc	\$9.00	\$0.00	\$2.54	\$4.21
NUM3X	ESSX Intercom charge, per message rate main station	104	\$1,002.00	Calc	\$9.63	\$0.00	\$3.00	\$4.22
NSD	Caller ID Number Delivery	862	\$5,544.00	Calc	\$6.43	\$0.00	\$0.55	\$4.27
LQSQ	Private line local channel tie line service	88	\$1,253.30	Tariff	\$24.50	\$0.00	\$14.06	\$4.32
E4O	Call Forwarding Variable-Outside, per line	311	\$1,842.60	Calc	\$5.92	\$0.00	\$0.04	\$4.40
PR7N3	Provisioning of more than 1 simultaneous call per TN in an ICE arrangement	257	\$1,986.40	Calc	\$7.73	\$3.74	\$1.21	\$4.48
1FB	Business Line	493,173	\$14,950,810.66	Calc	\$30.32	\$0.00	\$18.11	\$4.63
1FBCL	Business Line	77,645	\$676,247.98	Calc	\$30.32	\$0.00	\$18.11	\$4.63
TTTTXB	Long distance trunks connected to Telco toll switchboard, DDD or IDDD netwo	322	\$9,054.06	Calc	\$28.12	\$0.00	\$16.39	\$4.70
BCT2C	BellSouth Channelized Trunks, Combination/Two-Way Channel, Flat Rate, per	112	\$3,456.00	Calc	\$30.86	\$48.33	\$16.87	\$4.93
E6HPA	Call Waiting	452	\$3,164.00	Calc	\$7.00	\$0.00	\$0.01	\$5.24
NXMCR	Caller ID Name and Number Delivery with Anonymous Call Rejection	56,763	\$153,901.00	Tariff	\$7.50	\$0.00	\$0.23	\$5.39
NXMMN	Caller ID Name and Number Delivery	2,300	\$7,766.00	Tariff	\$7.50	\$0.00	\$0.17	\$5.45
SHK1N	Customer Channel Interface, Per Node, Per DS1	24	\$1,005.00	Calc	\$41.88	\$130.55	\$21.94	\$5.84
HTG	Hunting/Rollover Service	305,516	\$2,485,854.83	Calc	\$8.14	\$0.00	\$0.09	\$6.02
NDT	PBX Service, BellSouth CMRS Local Loop DID trunk termination	2,430	\$52,668.80	Tariff	\$21.80	\$17.32	\$9.82	\$6.05
7FB	Business Line-Incoming Only	252	\$8,227.20	Calc	\$32.65	\$0.00	\$18.11	\$6.38
QFB	Business line, outgoing	539	\$17,685.85	Calc	\$32.81	\$0.00	\$18.11	\$6.50
BCTOC	BellSouth Channelized Trunks, Outward Only Channel, Flat Rate, per Channel	144	\$4,752.00	Calc	\$33.00	\$48.33	\$16.87	\$6.54
LQGFY	ISDN B Channel Threshold Voice/Data	6,701	\$104,167.51	Calc	\$15.55	\$0.00	\$4.88	\$6.78
HTGMS	Hunting/rotary service message rate	4,652	\$44,332.09	Calc	\$9.53	\$0.00	\$0.09	\$7.06
LPRFX	Channels Activated B Channel Flat Rate Circuit Switched Voice/Data	650	\$10,440.50	Calc	\$16.06	\$3.57	\$4.88	\$7.07
NQT	MegaLink Channel Service NAR, per flat rated line or trunk outgoing	215	\$3,628.55	Calc	\$16.88	\$0.00	\$5.46	\$7.20
DAVT2	Courtesy Complete	284	\$2,840.00	Tariff	\$10.00	\$0.00	\$0.06	\$7.44
BD2	Business Line with Touch-Tone and BellSouth Business Plus Calling Plan 2	17,303	\$448,402.50	Tariff	\$35.10	\$0.00	\$18.11	\$8.22
RXR	Main station without set	85	\$3,024.30	Calc	\$35.58	\$0.00	\$18.11	\$8.58
NQM	MegaLink Channel Service NAR, per flat rated line or trunk both ways	2,088	\$34,814.45	Calc	\$16.67	\$0.00	\$3.29	\$9.22
BJE	Business line, hunting, Telco equipment	246	\$9,153.66	Calc	\$37.21	\$0.00	\$18.11	\$9.80
RCFVF	Remote Call Forwarding - Local	1,814	\$28,896.00	Tariff	\$16.00	\$0.54	\$2.07	\$9.92
RCFVQ	Remote Call Forwarding	103	\$1,648.00	Tariff	\$16.00	\$0.54	\$2.07	\$9.92
RCFVS	Remote Call Forwarding	609	\$9,712.00	Tariff	\$16.00	\$0.53	\$2.07	\$9.92
BD2CL	Business Line with Touch-Tone and BellSouth Business Plus Calling Plan 2	5,689	\$28,782.00	Tariff	\$35.10	\$0.00	\$16.39	\$9.94

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NQP	MegaLink Channel Service NAR, per flat rated line or trunk, incoming	544	\$9,089.93	Calc	\$16.71	\$0.00	\$1.35	\$11.18
WIMCSQ	Outward WATS service, statewide	60	\$2,247.00	Calc	\$37.45	\$0.00	\$16.39	\$11.70
WISA1X	Open 800 Service Over an Access Line	73	\$2,733.85	Calc	\$37.45	\$0.00	\$16.39	\$11.70
RCA	Remote Call Forwarding-Additional Capacity	3,235	\$51,712.00	Tariff	\$16.00	\$0.00	\$0.19	\$11.81
LQ1AA	Basic Rate ISDN DSL Arrangement Optional Usage Plan A, Business	36	\$2,518.20	Tariff	\$69.95	\$255.07	\$33.51	\$11.87
NXECR	Enhanced Caller ID with Anonymous Call Rejection	18,984	\$45,577.00	Tariff	\$17.00	\$0.00	\$0.49	\$12.26
1LNOC	Interoffice channel mileage, each airline mile, over 25 miles	359	\$6,516.15	Calc	\$18.15	\$0.00	\$0.93	\$12.68
3BCA	SynchroNet Interoffice Channel, each 9-25 Miles Fixed Monthly Rates	79	\$2,217.34	Calc	\$28.07	\$61.13	\$5.07	\$14.28
3BEA	SynchroNet Interoffice Channel, Over 25 Miles, Fixed	44	\$1,283.29	Calc	\$29.17	\$61.13	\$5.07	\$15.11
3BAA	SynchroNet Interoffice Channel, each 0-8 Miles Fixed Monthly Rates	74	\$2,181.25	Calc	\$29.48	\$61.13	\$5.07	\$15.34
COMP1	Complete Choice for Business 1 Line Package	15,372	\$799,292.00	Tariff	\$52.00	\$0.00	\$23.25	\$15.75
RR7BL	Primary Rate ISDN Extended Reach Inward Data Fianl Route B-Channels	46	\$2,139.00	Calc	\$46.50	\$4.32	\$18.84	\$15.92
1LDPA	MegaLink Local Channel, Each Additional 1/2 Mile	713	\$29,802.62	Calc	\$41.80	\$0.00	\$15.32	\$16.03
2JN64	IntraLATA Private Line Service, SynchroNet Service, Node Channel Terminati	44	\$1,079.40	Calc	\$24.53	\$27.84	\$1.11	\$16.51
SHK1C	Central Office Channel Interface, Per Customer Node, Per DS1	24	\$935.00	Calc	\$38.96	\$123.89	\$9.22	\$16.56
TFU	PBX Service, outgoing flat rate trunk	204	\$9,445.50	Calc	\$46.30	\$0.00	\$18.11	\$16.62
FK52B	Foreign Exchange business, measured, two-way	1,517	\$67,005.00	Calc	\$44.17	\$0.00	\$16.39	\$16.74
2JN56	IntraLATA Private Line Service, SynchroNet Service, Node Channel Terminati	326	\$8,103.34	Calc	\$24.86	\$27.84	\$1.11	\$16.76
1LNOB	Interoffice channel mileage, each airline mile, 9-25 miles	289	\$6,923.10	Calc	\$23.96	\$0.00	\$0.93	\$17.04
TFC	PBX Service, combination flat rate trunk	6,605	\$312,022.81	Calc	\$47.24	\$0.00	\$18.11	\$17.32
FK5CX	Foreign Exchange access, combination trunk, measured	88	\$3,960.00	Calc	\$45.00	\$0.00	\$16.39	\$17.36
1LNOA	Interoffice channel mileage, each airline mile, 0-8 miles	120	\$2,944.73	Calc	\$24.54	\$0.00	\$0.93	\$17.48
TFN	PBX Service, inward flat rate trunk	68	\$3,257.63	Calc	\$47.91	\$0.00	\$18.11	\$17.82
TF5CX	Business, flat rate trunk w/meas. usage charge, (leaky PBX) comb.(FL only)	57	\$2,607.63	Calc	\$45.75	\$0.00	\$16.39	\$17.92
RR7BD	Primary Rate ISDN B-Channel for Inward Data Option	474	\$11,953.19	Calc	\$25.22	\$4.29	\$0.29	\$18.51
BC2	BellSouth Business Choice Package 2	847	\$41,460.65	Tariff	\$48.95	\$0.00	\$18.11	\$18.60
COM21	Complete Choice for Business, Business Plus Option 2, 1 Line Package	829	\$47,253.00	Tariff	\$57.00	\$0.00	\$23.25	\$19.50
TPD1X	PBX Service, DID inward trunk	1,863	\$87,970.43	Calc	\$47.22	\$0.00	\$15.22	\$20.20
FRH12	Frame Relay Service, Customer Connection at 128 Kbps	146	\$13,363.60	Calc	\$91.53	\$418.54	\$36.64	\$20.38
FRH64	Frame Relay Service, Customer Connection at 64 Kbps	126	\$7,439.00	Calc	\$59.04	\$448.44	\$10.14	\$21.68
RR7BV	Primary Rate ISDN B-Channel for Use with Voice/Data Application	8,651	\$328,090.62	Tariff	\$41.25	\$4.29	\$9.10	\$21.72
FRH56	Frame Relay Service, Customer Connection at 56 Kbps	73	\$4,354.55	Calc	\$59.65	\$448.44	\$10.14	\$22.14

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1-D1E	Primary Rate ISDN Non-Distance Sensitive Mileage	438	\$55,940.00	Calc	\$127.72	\$157.51	\$68.95	\$22.46
COM2	Complete Choice for Business 2 Line Package	4,666	\$438,604.00	Tariff	\$94.00	\$0.00	\$46.17	\$24.33
FRH25	Frame Relay Service, Customer Connection at 256 Kbps	75	\$13,295.73	Calc	\$177.28	\$417.57	\$96.63	\$24.73
SP1AC	Area Connection - First	8	\$1,780.00	Tariff	\$235.00	\$653.30	\$131.85	\$26.25
COM22	Complete Choice for Business, Business Plus Option 2, 2 Line Package	664	\$65,736.00	Tariff	\$99.00	\$0.00	\$46.17	\$28.08
BD1	Business Line with Touch-Tone and BellSouth Business Plus Calling Plan 1	5,478	\$287,648.75	Tariff	\$64.10	\$0.00	\$18.11	\$29.97
BD1CL	Business Line with Touch-Tone and BellSouth Business Plus Calling Plan 1	2,010	\$19,422.30	Tariff	\$64.10	\$0.00	\$16.39	\$31.69
BCTL1	BellSouth Channelized Trunks, 1.544 Mbps Access Line, per Access Line	15	\$2,184.00	Calc	\$145.60	\$259.03	\$66.34	\$35.66
COM3	Complete Choice for Business 3 Line Package	2,049	\$284,811.00	Tariff	\$139.00	\$0.00	\$67.50	\$36.75
BC1	BellSouth Business Choice Package 1	149	\$11,614.55	Tariff	\$77.95	\$0.00	\$18.11	\$40.35
COM23	Complete Choice for Business, Business Plus Option 2, 3 Line Package	56	\$8,064.00	Tariff	\$144.00	\$0.00	\$67.50	\$40.50
M1GNC	ISDN Interoffice Channel per DSL	33	\$3,734.00	Calc	\$113.15	\$95.91	\$40.26	\$41.94
COM11	Complete Choice for Business, Business Plus Option 1, 1 Line Package	862	\$74,994.00	Tariff	\$87.00	\$0.00	\$23.25	\$42.00
COM2H	Complete Choice for Business 3 Line Package	716	\$105,252.00	Tariff	\$147.00	\$0.00	\$67.50	\$42.75
COMPH	Complete Choice for Business 3 Line package	7,047	\$1,000,603.00	Tariff	\$142.00	\$0.00	\$59.82	\$46.68
COM24	Complete Choice for Business 4 Line Package	579	\$105,287.00	Tariff	\$182.00	\$0.00	\$88.83	\$47.67
COMF6	Complete Choice for Business 6 line Package	668	\$161,656.00	Tariff	\$242.00	\$0.00	\$131.48	\$50.02
COM25	Complete Choice for Business 5 line Package	113	\$24,182.00	Tariff	\$214.00	\$0.00	\$110.15	\$50.35
TDDCX	Direct-Inward-Dialing combination trunk	19	\$1,826.34	Calc	\$96.12	\$0.00	\$20.59	\$51.50
COMF5	Complete Choice for Business 5 line Package	912	\$198,816.00	Tariff	\$218.00	\$0.20	\$110.15	\$53.34
COMF7	Complete Choice for Business 7 line Package	406	\$111,650.00	Tariff	\$275.00	\$0.00	\$152.80	\$53.45
COM26	Complete Choice for Business 6 line Package	77	\$19,019.00	Tariff	\$247.00	\$0.00	\$131.48	\$53.77
COMF8	Complete Choice for Business 8 line Package	306	\$94,248.00	Tariff	\$308.00	\$0.00	\$174.13	\$56.87
COM27	Complete Choice for Business 7 line Package	40	\$11,200.00	Tariff	\$280.00	\$0.00	\$152.80	\$57.20
COMF9	Complete Choice for Business 9 line Package	621	\$211,761.00	Tariff	\$341.00	\$0.00	\$195.46	\$60.29
COM28	Complete Choice for Business 8 line Package	24	\$7,512.00	Tariff	\$313.00	\$0.00	\$174.13	\$60.62
PR71V	Primary Rate ISDN Voice/Data Interface	433	\$158,560.00	Calc	\$366.19	\$470.32	\$199.64	\$61.94
COM29	Complete Choice for Business 9 line Package	30	\$10,380.00	Tariff	\$346.00	\$0.00	\$195.46	\$64.04
PR7CN	Calling Name Delivery Feature, per Primary Rate Interface	13	\$1,300.00	Calc	\$100.00	\$5.88	\$2.42	\$72.42
COM12	Complete Choice for Business, Business Plus Option 1, 2 Line Package	223	\$35,457.00	Tariff	\$159.00	\$0.00	\$46.17	\$73.08
BCTS1	BellSouth Channelized Trunks, Service Interface, per Access Line	14	\$2,814.00	Calc	\$201.00	\$196.01	\$68.93	\$76.38
VUM24	MegaLink/LightGate (AKA BellSouth SPA Point to Point Network) CO channel	124	\$23,462.59	Calc	\$189.21	\$177.83	\$55.56	\$81.41

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BACKUPFL

FL-BACKUP Line		Qty	Unit Price	Rate				
SBLFX	Back-Up Line	1	\$13.95	\$13.95	\$16.39	\$16.39	\$0.00	
	Usage	118.71	0.05	\$5.94	0.002607	\$0.31	\$0.00	
	Subscriber Line Charge	1	\$7.84	\$7.84	\$0.00	\$0.00	\$0.00	
				\$27.73		\$16.70	\$0.00	\$6.05

FL-PBX Service		Qty	Unit Price	Rate	Unit Price	Rate	NP Cost	Calculated Margin
TM3	PBX Service, outward message rate trunk, additional	1	\$19.60	\$19.60	\$16.39	\$16.39	\$0.00	
	Usage			\$4.61		\$0.51		
	Subscriber Line Charge	1	\$7.84	\$7.84	\$0.00	\$0.00	\$0.00	
				\$32.05		\$16.90	\$0.00	\$9.10
FL-PBX Service								
TM5	PBX Service, combination message rate trunk, additional	1	\$18.28	\$18.28	\$16.39	\$16.39	\$0.00	
	Usage			\$4.61		\$0.51		
	Subscriber Line Charge	1	\$7.84	\$7.84	\$0.00	\$0.00	\$0.00	
				\$30.73		\$16.90	\$0.00	\$8.11
FL-PBX Service DID								
TDD1X	PBX Service, DID inward trunk	1	\$47.22	\$47.22	\$15.22	\$15.22	\$0.00	
S5DBD	Dual Tone Multifrequency pulsing option on DID	1	\$7.50	\$7.50	\$8.60	\$8.60	\$0.00	
	Subscriber Line Charge	1	\$7.84	\$7.84	\$0.00	\$0.00	\$0.00	
				\$62.56		\$23.82		\$25.06

FL-CENTREX Average System		Qty	Unit Price	Total	Feature Cost	Feature Cost	Feature Cost	Feature Cost	Feature Cost
M1ACC	Customized Common Equipment	1	\$31.22	\$31.22	\$0.00	\$0.00	\$375.61	\$375.61	
CENAA	Standard Features per Station Line, each	14	\$3.95	\$55.30	\$3.92	\$54.88	\$19.50	\$273.00	
MALFA	Station Link Flat Rate	14	\$15.45	\$216.30	\$13.43	\$188.02	\$0.00	\$0.00	
M9QCX	NAR Package Both Way Flat Rate	7	\$16.28	\$113.96	\$9.01	\$63.07	\$0.00	\$0.00	
HTG	Hunting/Rollover Service	7	\$0.00	\$0.00	\$0.09	\$0.63	\$0.00	\$0.00	
PGSA7	Parity charge-network access register	7	\$7.84	\$54.88	\$0.00	\$0.00	\$0.00	\$0.00	
				\$471.66		\$306.60	\$395.11	\$648.61	\$42.85
FL-CENTREX Average System		Qty	Unit Price	Total	Feature Cost	Feature Cost	Feature Cost	Feature Cost	Feature Cost
M1ACC	Customized Common Equipment	1	\$31.22	\$31.22	\$0.00	\$0.00	\$375.61	\$375.61	
CENAA	Standard Features per Station Line, each	14	\$3.95	\$55.30	\$3.92	\$54.88	\$19.50	\$273.00	
MALFH	Station Link Flat Rate	14	\$15.45	\$216.30	\$13.43	\$188.02	\$0.00	\$0.00	
M9QCX	NAR Package Both Way Flat Rate	7	\$16.28	\$113.96	\$9.01	\$63.07	\$0.00	\$0.00	
HTG	Hunting/Rollover Service	7	\$0.00	\$0.00	\$0.09	\$0.63	\$0.00	\$0.00	
PGSA7	Parity charge-network access register	7	\$7.84	\$54.88	\$0.00	\$0.00	\$0.00	\$0.00	
				\$471.66		\$306.60	\$395.11	\$648.61	\$42.85

FEXCFL

F - Foreign Exchange								
Average System								
USDC								
FX5CX	1	\$45.00	\$ 45.00	\$16.39	\$ 16.39	\$ -		
1D91X	1	\$21.15	\$ 21.15	\$16.39	\$ 16.39	\$ -		
1L9FX-Fixed	1	\$28.50	\$ 28.50	\$23.66	\$ 23.66	\$ 84.64		1 Fixed per Channel Estimate
1L9FX-Measured	17	\$1.60	\$ 27.20	\$0.58	\$ 9.86	\$ -		Remaining Qty ratio to Fixed
Subscriber Line Charge	1	\$7.84	\$ 7.84	\$0.00	\$ -	\$ -		
Total			\$ 129.69		\$ 66.30	\$ 84.64	\$30.58	
USDC								
Qty	Unit	Rate	Expense	Unit	Rate	Expense	Calculated	Ratio
1FB	1	\$30.32	\$ 30.32	\$18.11	\$ 18.11	\$ -		
1LHGV-Fixed	1	\$28.50	\$ 28.50	\$23.66	\$ 23.66	\$ 84.64		1 Fixed per Channel Estimate
1LHGV-Measured	3	\$1.65	\$ 4.95	\$0.58	\$ 1.74	\$ -		Remaining Qty ratio to Fixed
Subscriber Line Charge	1	\$7.84	\$ 7.84	\$0.00	\$ -	\$ -		
Total			\$ 71.61		\$ 43.51	\$ 84.64	\$9.81	

F - ESSX Average System								
NRX3X	ESSX Intercom Charge, per flat rate main station	20	\$9.09	\$181.80	\$3.00	\$60.00	\$0.00	
EKMNX	Digital ESSX Service, Wire Center Lines, up to 2 1/2 miles, per Line	20	\$6.66	\$133.20	\$5.40	\$108.00	\$0.00	
EXO1	Package of 3 features, Group A	5	\$1.66	\$8.30	\$0.75	\$3.75	\$0.00	
EATPA	Call Forwarding	13	\$5.50	\$71.50	\$0.04	\$0.52	\$0.00	
EDA	Network Access Register Flat Rate Service, 2-Way Operation, each (ESSX)	10	\$16.66	\$166.60	\$9.01	\$90.10	\$0.00	
HTG	Hunting/Rollover Service	10	\$0.00	\$0.00	\$0.09	\$0.90	\$0.00	
PGSA7	Parity charge-network access register installed after 7/83	10	\$7.84	\$78.40	\$0.00	\$0.00	\$0.00	
				\$639.80		\$263.27	\$0.00	\$236.18
Loop weighting								
EKMNX	Digital ESSX Service, Wire Center Lines, up to 2 1/2 miles, per Line	2,517	97.41%	2.50	2,43525			
EKMOX	Main station line, distance sensitive	67	2.59%	5.00	0.129643963			
	Total	2,584.00		Weighted	2,564893963			
					2.5 Mile			
F - ESSX Average System								
NRX3X	ESSX Intercom Charge, per flat rate main station	20	\$9.09	\$181.80	\$3.00	\$60.00	\$0.00	
EKMOX	Main station line, distance sensitive	20	\$15.43	\$308.60	\$13.14	\$262.80	\$0.00	
EXO1	Package of 3 features, Group A	5	\$1.66	\$8.30	\$0.75	\$3.75	\$0.00	
EATPA	Call Forwarding	13	\$5.50	\$71.50	\$0.04	\$0.52	\$0.00	
EDA	Network Access Register Flat Rate Service, 2-Way Operation, each (ESSX)	10	\$16.66	\$166.60	\$9.01	\$90.10	\$0.00	
HTG	Hunting/Rollover Service	10	\$0.00	\$0.00	\$0.09	\$0.90	\$0.00	
PGSA7	Parity charge-network access register installed after 7/83	10	\$7.84	\$78.40	\$0.00	\$0.00	\$0.00	
				\$815.20		\$418.07	\$0.00	\$212.93

MSERVFL

FL-MULTISERV								
FL-MULTISERV Average System			Unit Price	Revenue	Unit Cost			Calculated Margin
M1ACC	Customized common Equipment	1	\$0.00	\$0.00	\$0.00	\$0.00	\$186.00	
M1M52	5ESS Feature Group 2	18	\$7.82	\$140.76	\$6.36	\$114.48	\$0.00	
M1LFA	MultiServu Station Link Flat Rate each	18	\$36.00	\$648.00	\$24.68	\$444.24	\$0.00	
9ZR	FCC Charge for Network Access	18	\$7.84	\$141.12	\$0.00	\$0.00	\$0.00	
				\$929.88		\$558.72	\$186.00	\$168.80
FL-MULTISERV Plus Average System			Unit Price	Revenue	Unit Cost			Calculated Margin
M1ACC	Customized common Equipment	1	\$0.00	\$0.00	\$0.00	\$0.00	\$186.00	
M1M52	5ESS Feature Group 2	18	\$7.82	\$140.76	\$6.36	\$114.48	\$0.00	
MALFA	Station Link Flat Rate	18	\$15.45	\$278.10	\$13.43	\$241.74	\$0.00	
M9QCX	NAR Package Both Way Flat Rate	8	\$16.28	\$130.24	\$9.01	\$72.08	\$0.00	
HTG	Hunting/Rollover Service	8	\$0.00	\$0.00	\$0.09	\$0.72	\$0.00	
9ZR	FCC Charge for Network Access	18	\$7.84	\$141.12	\$0.00	\$0.00	\$0.00	
				\$690.22		\$429.02	\$186.00	\$118.76

EXTSERVFL

FL-Extension Service								
Typical System								
	1SE6X/1SE6Q/1SE6Y	1	\$14.83	\$ 14.83	\$14.06	\$ 14.06	\$ 344.40	
	1FB	2	\$30.32	\$ 60.64	\$18.11	\$ 36.22	\$ -	
	9ZR	2	\$7.84	\$ 15.68	\$0.00	\$ -	\$ -	
Total				\$ 91.15		\$ 50.28	\$ 344.40	\$12.44
1FB and 9ZR represents an existing line that would be required before adding an extension service.								
1FB/9ZR quantity based on the state average of 1FBs per Tie Code with this service.								

FRAME SERVICE

FL-Frame Service								
USOC	Description	Qty	RateType	R Rate		R Cost	NR Cost	Margin
FRH12	Frame Relay Service, Customer Connection at 128 Kbps	1	Calc	\$91.53		\$36.64	\$418.54	
FP115	Broadband Exchange Line Customers Premise to Wire Center at 1.536 Mbps	1	Calc	\$139.69		\$108.78	\$442.64	-
				\$231.22		\$145.42	\$861.18	\$4.07

Florida MegaLink® Service Typical Arrangement (uses 24-48 Mo. rates)												
0.75 Rate Factor												
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)			
					(E-D)	(A*D)	(A*B)	(A*C)+(A*E)	(I-(G+H))			
1.	1LDPZ	2	LC, 1st Half Mile	\$155.91	\$350.00	\$78.13	\$95.05	\$16.92	\$156.26	\$311.82	\$890.10	\$422.02
2.	1LDPA	6	LC, Add'l Half Mile	\$0.00	\$0.00	\$15.32	\$43.00	\$27.68	\$91.92	\$0.00	\$258.00	\$166.06
3.												
4.	1LNO2	1	IOC, Fixed	\$88.79	\$100.00	\$42.54	\$59.75	\$17.21	\$42.54	\$88.79	\$169.75	\$28.42
5.	1LNOB	15	IOC, Per Mile	\$0.00	\$0.00	\$0.93	\$22.35	\$21.42	\$13.95	\$0.00	\$335.25	\$321.30
6.												
7.	MGLSE	1	Svc Est Charge (per okt)	\$424.30	\$575.00	\$0.00	\$0.00	\$0.00	\$0.00	\$424.30	\$575.00	\$152.70
8.	MGLPV	2	Prem Vist (per LC)	\$13.45	\$40.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.90	\$80.00	\$53.10
9.												
10.								\$304.67	\$851.81	\$2,298.10	\$1,141.62	\$567.10
11.								(sum lines 1 through 8)				((Tot Rev*Rate Factor)-Tot Cost)/Tot Cost
12.								\$304.67	\$0.00	\$843.10	\$598.43	\$327.66
13.								(sum lines 1 through 8, recurring only)				((Tot Rec Rev*Rate Factor)-Tot Rec Cost)/Tot Rec Cost
14.												
15.												Monthly recurring margin for a typical FL ML arrangement, without typical IOC is \$87.80
16.	Florida MegaLink® Channel Service Typical Arrangement (uses 24-48 Mo. rates)											
17.												
18.												
19.												
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)			
					(E-D)	(A*D)	(A*B)	(A*C)+(A*E)	(I-(G+H))			
23.	1LDPZ	1	LC, 1st Half Mile	\$155.91	\$350.00	\$78.13	\$95.05	\$16.92	\$78.13	\$155.91	\$445.05	\$211.01
24.	1LDPA	3	LC, Add'l Half Mile	\$0.00	\$0.00	\$15.32	\$43.00	\$27.68	\$45.96	\$0.00	\$129.00	\$83.04
25.												
26.	1LNO2	1	IOC, Fixed	\$88.79	\$100.00	\$42.54	\$59.75	\$17.21	\$42.54	\$88.79	\$159.75	\$28.42
27.	1LNOB	15	IOC, Per Mile	\$0.00	\$0.00	\$0.93	\$22.35	\$21.42	\$13.95	\$0.00	\$335.25	\$321.30
28.												
29.	MGLSE	1	Svc Est Charge (per okt)	\$424.30	\$575.00	\$0.00	\$0.00	\$0.00	\$0.00	\$424.30	\$575.00	\$150.70
30.	MGLPV	1	Prem Vist (per LC)	\$13.45	\$40.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13.45	\$40.00	\$26.55
31.												
32.	VUM24	1	Beelo System Capacity	\$177.83	\$350.00	\$55.56	\$189.00	\$133.44	\$55.56	\$177.83	\$539.00	\$306.51
33.												
34.	1PQWU	1	Feature Activation, First	\$5.43	\$7.00	\$4.45	\$5.00	\$0.55	\$4.45	\$5.43	\$12.00	\$2.12
35.	1PQWU	20	Feature Activation, Add'l	\$5.25	\$6.00	\$4.45	\$5.00	\$0.55	\$88.00	\$105.00	\$220.00	\$26.00
36.												
37.								\$329.59	\$970.71	\$2,465.05	\$1,154.75	\$540.99
38.								(sum lines 1 through 8)				((Tot Rev*Rate Factor)-Tot Cost)/Tot Cost
39.								\$329.59	\$0.00	\$913.05	\$583.46	\$355.20
40.								(sum lines 1 through 8, recurring only)				((Tot Rec Rev*Rate Factor)-Tot Rec Cost)/Tot Rec Cost
41.												
42.												Monthly recurring margin for a typical FL MLCS arrangement, without typical IOC is \$115.44
43.												
44.												Monthly margin for a typical FL MLCS arrangement, without typical LC or IOC is \$71.49
45.												

FLUsage

Local	Service	Rate	Unit	Usage	Revenue	NR Costs	GR Costs	Calculated Margin
F	Standard Measured	0.029994	114.91	0.002607	\$0.02			
F	Leaky PBX Measured	0.02338	332.92	0.002607	\$0.01			
F	Shared Tenant Measured	0.028421	0.35	0.002607	\$0.02			
F	Standard Message Rate	0.023638	194.98	0.002607	\$0.02			
F	Leaky PBX Message Rate	0.048951	287.62	0.002607	\$0.03			
F	FX	0.067819	297.96	0.002607	\$0.05			
F	Back-Up Line - Flat	0.05	118.71	0.002607	\$0.03			
F	Megalink ISDN	0.003665	1621.59	0.002607	\$0.0001			
F	Business Plus Option 1	0.001406	1335.45	0.002607	(\$0.002)			
F	Business Plus Option 2	0.08	67.06	0.002607	\$0.06			
F	Business Plus Backup Opt 1	0.05	95	0.002607	\$0.03			
F	Business Plus Backup Opt 2	0.050328	188.92	0.002607	\$0.04			
F	ISDN Threshold All States	0.003442	3550.83	0.002607	(\$0.00003)			
F	ISDN BRI Res All Opts & Bus Opt A	0.05	75.8	0.002607	\$0.03			
Business Plus Option								
B/D1	BellSouth Business Plus Calling Plan 1	1	\$64.10	\$18.11	\$64.10	\$0.00	\$18.11	
	Business Plus Option 1	1335.45	0.001406	0.002607	\$1.88	\$0.00	\$3.48	
					\$65.98	\$0.00	\$21.59	\$27.89
ISDN Threshold All States								
L/TTB	ISDN Threshold Pricing, Basic Rate DSL Access Arrangement	1	\$55.00	\$31.57	\$55.00	\$255.07	\$31.57	
L/GFX	ISDN B Channel Threshold Voice/Data	2	\$15.55	\$4.88	\$31.10	\$0.00	\$9.76	
	ISDN Threshold All States	3550.83	0.003442	0.002607	\$12.22	\$0.00	\$9.26	
					\$98.32	\$255.07	\$50.59	\$16.07
Toll								
	Florida	\$0.199		0.009029	\$0.14			

PROPRIETARY

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 REBUTTAL TESTIMONY SAMUEL G. MASSEY
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NOS. 020119-TP and 020578-TP
5 NOVEMBER 25, 2002

6
7 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
8 TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR
9 BUSINESS ADDRESS.

10
11 A. My name is Sam Massey. I am a Marketing Manager with BellSouth.
12 My address is 1057 Lenox Park Boulevard, Room 3D20, Atlanta,
13 Georgia 30319.

14
15 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND
16 AND EXPERIENCE.

17
18 A. I graduated from the Georgia Institute of Technology in Atlanta, Georgia
19 in 1987 with a Bachelor of Science degree in Industrial Management. I
20 completed my Masters Degree in Business Administration in 1989 at the
21 State University of West Georgia. I worked in BellSouth's Finance and
22 Forecasting organizations from May 1998 through February 2002. In
23 February 2002, I joined the BellSouth Strategic Analysis group of
24 BellSouth's Small Business Service unit as Manager of Competitive and
25 Strategic Analysis.

-1-
CONFIDENTIAL (Part 3 of 3)
DECLASSIFIED DN
12953-0:
APR 8.13.04

PROPRIETARY

1

2 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

3

4 A. I will rebut various aspects of the direct testimony of Joseph Gillan,
5 Danyelle Kennedy, and Michael Gallagher, including their suggestions
6 that: local exchange competition in Florida is "in its infancy" and
7 BellSouth is in a position to "frustrate the emergence of competition"
8 (Gillan at p.2, ll. 3-4); BellSouth "still effectively enjoys monopoly status
9 in its incumbent territory" (Gallagher at p. 4, ll. 10-12); BellSouth is
10 somehow using the January and June Key customer offerings to
11 "eliminate competition from the market" (Kennedy at p. 11, ll. 12-14);
12 and the termination charges in the January and June Key Customer
13 offerings "'lock-up' customers in the coffers of the dominant provider and
14 deter customers from freely migrating even if they find a better
15 provider." (Gallagher at p. 16, ll. 5-7).

16

0

17 In particular, I present BellSouth's estimate of the percentage of the total
18 number of small business access lines in BellSouth's operating territory
19 in Florida that are being served by BellSouth. I also explain how
20 BellSouth prepared this estimate, and I address the number of access
21 lines that are receiving benefits under the January and June Key
22 Customer offerings.

23

24 Competitors in Florida are winning all types of small business customers
25 in rapidly increasing numbers contrary to Messrs. Gillan and Gallagher's

PROPRIETARY

1 suggestions otherwise. In fact, the percentage of the total number of
2 small business access lines in BellSouth's operating territory in Florida
3 that are being served by BellSouth has steadily decreased from
4 approximately 90% at the end of 1999 to approximately 71.5% in
5 September 2002. This hardly represents competition in its infancy or
6 monopoly status.

7

8 Q. WHAT IS BELLSOUTH'S ASSESSMENT OF THE OVERALL
9 COMPETITIVENESS OF THE SMALL BUSINESS MARKET IN
10 FLORIDA?

11

12 A. The market is highly competitive. Our competitors operate in a very
13 focused and targeted manner. They typically concentrate on small to
14 mid-sized businesses, and they typically offer their services in focused,
15 targeted geographic areas. In the areas in which they choose to
16 compete, our competitors are gaining significant numbers of small
17 business access lines, far from being "eliminated."

18

19 Q. WHAT IS THE BASIS FOR THAT STATEMENT?

20

21 A. Each month BellSouth uses retail information to develop an estimate of
22 the percentage of small business access lines in its operating territory in
23 Florida that BellSouth actually serves. The chart below shows this
24 percentage for the months of January 2000 through September 2002.
25 As evidenced by this chart, the percentage of these small business lines

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1 that are served by BellSouth has fallen from an overstated estimate of
2 90.0% at the end of 1999 to an overstated estimate of 71.5% in
3 September 2002.¹ SBS is currently losing between 0.3% and 0.4%
4 additional share points every month, which equates to roughly 3.6% to
5 4.8% annually. Clearly customers are able to migrate freely.

6

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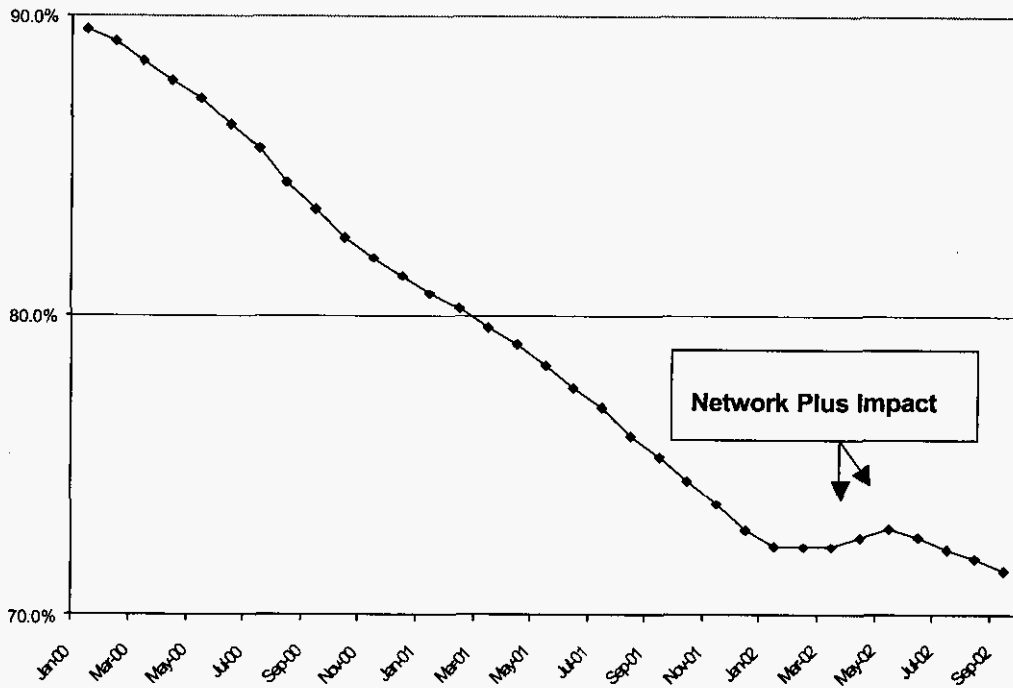
25 ¹ I will explain why these percentages are overstated later in my testimony.

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FIGURE 1

1
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19

BellSouth Small Business Services
Florida Access Line Market Share



- 20 Q. WHAT KIND OF SMALL BUSINESS CUSTOMERS ARE LEAVING
21 BELLSOUTH TO BE SERVED BY BELLSOUTH'S COMPETITORS?
22
- 23 A. All kinds. A few examples of some of the small business customers that
24 have disconnected service with BellSouth to go to competitors include:
25 Outreach International, Vic Osman Lincoln-Mercury, Orlando Surgery

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1 Center, Girl Scouts of Broward County, Canaveral Travel, and The
2 Brown Bag Catering. Customers like these are the lifeblood of
3 BellSouth's Small Business Services unit. As shown by this list,
4 competitors are winning all types of small business customers. This is
5 the reason BellSouth's share of the small business market is at present
6 levels and declining rapidly, demonstrating clearly that competition is in
7 fact emerging.

8

9 Q. WHAT ACCOUNTS FOR THE SLIGHT INCREASE IN BELLSOUTH'S
10 PERCENTAGE OF THESE LINES BETWEEN MARCH 2002 AND MAY
11 2002 IN FIGURE 1?

12

13 A. During the March through May 2002 time period, Network Plus, an
14 ALEC operating in Florida, Georgia, and North Carolina, wound down its
15 operations. Before it ultimately ceased operations in mid-May of 2002,
16 its customers were forced to choose new local service providers. While
17 BellSouth retail units do not know how many access lines migrated from
18 Network Plus to BellSouth during this time period, there was a
19 noticeable increase in access lines installed during this time (as reflected
20 in Figure 1), and the migration of customers from Network Plus to
21 BellSouth likely caused that increase.

22

23 Q. HOW DID BELLSOUTH DEVELOP THE ESTIMATED PERCENTAGES
24 SET FORTH IN FIGURE 1?

25

PROPRIETARY

1 A. Each month, BellSouth uses retail data to determine the total number of
2 BellSouth small business switched access lines in Florida ("BellSouth
3 Lines"). That number is divided by the sum of that number plus the net
4 of: (1) the cumulative number of BellSouth small business switched
5 access lines that have disconnected from BellSouth for what BellSouth
6 believes, based on retail information, are competitive reasons
7 ("Cumulative Competitive Disconnects"); and (2) the cumulative number
8 of small business switched access lines that have come to BellSouth
9 from competitors ("Cumulative Lines Acquired from ALECs"). Stated in
10 formula form:

11

$$\frac{\text{BellSouth Lines}}{\text{BellSouth Lines} + (\text{Cumulative Competitive Disconnects} - \text{Cumulative Lines Acquired from ALECs})}$$

12 -----
13 -----
14

15
16 The resulting figure represents the estimated percentage of small
17 business switched access lines in BellSouth's operating territory that are
18 being served by BellSouth.

19
20 Q. HOW LONG HAS BELLSOUTH TRACKED DATA ON THE NUMBER OF
21 LINES IT HAS ACQUIRED FROM ALECS?

22
23 A. Since January 2000.

24
25

PROPRIETARY

1 Q. HOW CAN BELLSOUTH USE THE FORMULA DESCRIBED ABOVE IF
2 IT ONLY BEGAN TRACKING THE NUMBER OF LINES ACQUIRED
3 FROM ALECS IN JANUARY 2000?

4
5 A. BellSouth tracked competitive disconnects prior to January 2000, so
6 BellSouth knows the Cumulative Competitive Disconnects as of the
7 end of 1999. BellSouth used data on lines acquired from CLECs
8 during the year 2000 to estimate the Cumulative Lines Acquired from
9 ALECs as of the end of 1999.

10
11
12 BellSouth calculated the ratio of Lines Acquired from ALECs in the year
13 2000 to Competitive Disconnects in the year 2000. BellSouth applied
14 that ratio to the Cumulative Competitive Disconnects as of the end of
15 1999 to estimate the Cumulative Lines Acquired from ALECs as of the
16 end of 1999.

17
18 Q. WOULD IT NOT BE EASIER, AND PERHAPS MORE ACCURATE, TO
19 USE WHOLESALE DATA TO ESTIMATE THE PERCENTAGE OF
20 SMALL BUSINESS SWITCHED ACCESS LINES IN BELLSOUTH'S
21 OPERATING TERRITORY THAT ARE BEING SERVED BY
22 BELLSOUTH.

23
24
25

PROPRIETARY

1 A. Perhaps, but these estimates are prepared by a BellSouth retail unit,
2 and BellSouth's retail units do not have access to wholesale information.
3 Accordingly, no wholesale information was used to prepare these
4 estimates.

5

6 Q. WHAT IMPACT DOES THE USE OF ONLY RETAIL DATA HAVE ON
7 THE CALCULATIONS YOU HAVE DESCRIBED?

8

9 A. In all likelihood, BellSouth actually serves an even lower percentage of
10 the small business access lines in its operating territory in Florida than is
11 reflected in the estimates set forth in my testimony. This is the case for
12 at least two reasons.

13

14 First, no new market growth is included in the estimates set forth in my
15 testimony. By "new market growth," I am referring to things such as:
16 small business customers leaving BellSouth for an ALEC and then
17 purchasing additional (or "growth") lines from the ALEC; brand new
18 small businesses ordering lines from ALECs; existing BellSouth small
19 business customers opening new locations and ordering service at those
20 locations from ALECs; and existing BellSouth small business customers
21 adding new lines at an existing location and purchasing those new lines
22 from ALECs. In each of these (and other similar) situations, the lines
23 that are being purchased never were with BellSouth. These lines,
24 therefore, are not included in BellSouth's market share calculations
25 because BellSouth has no retail information that indicates the existence

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1 of these lines, and the result is that BellSouth overstates its share of the
2 small business market.

3

4 Second, the competitive disconnects recorded by BellSouth SBS each
5 month do not include any lines that are disconnected because a current
6 customer has chosen to have some or all of its local service provided by
7 a wireless carrier.

8

9 Q. DOES THE CUMULATIVE COMPETITIVE DISCONNECT FIGURE
10 INCLUDE MIGRATION TO OTHER BELLSOUTH PRODUCTS (I.E.,
11 DATA PRODUCTS)?

12

13 A. No. Any migration to other products is handled through a change order
14 that does not appear as a competitive disconnect in the retail data
15 BellSouth uses in these market share calculations. Thus, when a
16 customer disconnects a switched access line and installs a new data
17 line, the disconnection of that switched access line is not included in the
18 number of competitive disconnects for that month.

19

20 Q. DO YOU HAVE INFORMATION SIMILAR TO WHAT YOU HAVE SET
21 FORTH IN FIGURE 1 FOR THE WIRE CENTERS THAT ARE
22 INCLUDED IN THE JANUARY AND JUNE KEY CUSTOMER
23 OFFERINGS?

24

25

PROPRIETARY

- 1 A. Yes. BellSouth's estimated share in each of these wire centers as
2 of September 2002, is set forth in Exhibits SGM-1 and SGM-2 to
3 my testimony. BellSouth tracked competitive disconnects prior to
4 January 2001, but did not track lines acquired from ALECS on a
5 wire center basis prior to January 2001. BellSouth used data on
6 lines acquired from CLECs during the year 2001 to estimate the
7 Cumulative Lines Acquired from ALECs as of the end of 2000.
8
9
10 BellSouth calculated the ratio of Lines Acquired from ALECs in the year
11 2001 to Competitive Disconnects in the year 2001. BellSouth applied
12 that ratio to the Cumulative Competitive Disconnects as of the end of
13 2000 to estimate the Cumulative Lines Acquired from ALECs as of the
14 end of 2000.
15
16
- 17 Q. HOW MANY SMALL BUSINESS ACCESS LINES ARE IN SERVICE IN
18 BELLSOUTH'S OPERATING TERRITORY IN FLORIDA?
19
- 20 A. Because BellSouth has no way of knowing how many access lines
21 ALECs actually are providing to small business customers in BellSouth's
22 territory, BellSouth can only estimate that number. As explained above,
23 the method by which BellSouth uses retail data to develop that estimate
24 understates the number of small business access lines being served by
25 ALECs. With that qualification, and based on retail data, BellSouth

PROPRIETARY

1 estimates that as of September 2002, approximately 1,094,052 access
2 lines were serving small business customers in BellSouth's operating
3 territory in Florida. BellSouth was providing 782,048 of those lines
4 (71.5%), and BellSouth estimates that ALECs were providing 312,004 of
5 those lines (28.5%).

6

7 Q. HOW MANY OF THESE ACCESS LINES ARE RECEIVING BENEFITS
8 UNDER THE JANUARY OR JUNE KEY CUSTOMER OFFERINGS?

9

10 A. As of September 13, 2002, 89,208 of BellSouth's small business access
11 lines were receiving benefits under the January Key Customer offering,
12 and 23,092 of BellSouth's small business access lines were receiving
13 benefits under the June Key Customer offering. The combined total of
14 approximately 112,300 lines that are receiving benefits under the
15 January and June Key Customer offerings represent less than 15% of
16 the 782,048 small business access lines served by BellSouth in Florida,
17 and it represents less than 11% of the 1,094,052 total small business
18 access lines that BellSouth conservatively estimates are in service in
19 BellSouth's operating territory.

20

21 Q. WHAT PERCENTAGE OF LINES THAT ARE ELIGIBLE FOR THE
22 JANUARY AND JUNE KEY CUSTOMER OFFERINGS ARE ACTUALLY
23 RECEIVING BENEFITS UNDER THE JANUARY AND JUNE KEY
24 CUSTOMER OFFERINGS?

25

PROPRIETARY

1 A. As of August 30, 2002, approximately 617,961 of BellSouth's small
2 business access lines in Florida were eligible for the June Key Customer
3 offering. Accordingly, the combined total of approximately 112,300 lines
4 that are receiving benefits under the January and June Key Customer
5 offerings represent less than 19% of the BellSouth's small business
6 access lines that are eligible to participate in the offerings.

7

8 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

9

10 A. Even calculations that overstate BellSouth's market share show that
11 BellSouth has lost almost 30% of its small business access line market
12 share in the state of Florida, and BellSouth is continuing to lose market
13 share at the rate of more than 0.3%-0.4% percentage points each
14 month, which equates to roughly 3.6% to 4.8% annually. BellSouth
15 share of the market is significantly lower in many wire centers. There
16 can be no doubt that competition is thriving in the state of Florida.

17

18 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

19

20 A. Yes.

21

22

23

24

25

EXHIBIT SGM-1

January Key		
CLLI	Wire Center (CO)	Estimated Share as of Sept-2002
BCRTFLBT	BCRT BOCA TEECA	77.1%
BCRTFLMA	BOCA RATON MAIN	70.2%
BCRTFLSA	BCRT SANDALFOOT	77.6%
BKVLFLJF	BROOKSVILLE	85.0%
BLGLFLMA	BELLE GLADE MAIN	87.1%
BNNLFLMA	BUNNEL	86.5%
BYBHFLMA	BOYNTON BEACH MAIN	74.3%
CCBHFLMA	COCOA BEACH	73.3%
COCOFLMA	COCOA-MAIN	75.7%
COCOFLME	COCOA-MERRITT ISLAND	80.6%
DBRYFLDL	DEBARY DELTONA	82.8%
DBRYFLMA	DEBARY MAIN	84.8%
DELDFLMA	DELAND	88.0%
DLBHFLKP	DLBH KINGS POINT	72.9%
DLBHFLMA	DELRAY BCH MAIN	72.3%
DRBHFLMA	DEERFIELD BEACH MAIN	72.1%
DYBHFLMA	DYBH-MAIN	81.5%
DYBHFLMB	DYBH-ORLAND BCH	81.1%
DYBHFLPO	DYBH-PORT ORANGE	80.2%
EGLLFLBG	EGLL-BOWE GDNS	77.8%
EGLLFLIH	EGLL-INDN HBR BH	85.1%
FRBHFLFP	FERNANDINA BCH	82.8%
FTLDFLCR	FTLD CORAL RIDGE	68.7%
FTLDFLCY	FTLD CYPRESS	69.0%
FTLDFLJA	FTLD JACARANDA	72.1%
FTLDFLMR	FT LAUD MAIN RELIEF	73.4%
FTLDFLQA	FTLD OAKLAND	63.3%
FTLDFLPL	FTLD PLANTATION	69.5%
FTLDFLSG	FTLD SAWGRASS	84.1%
FTLDFLSU	FTLD SUNRISE	70.3%
FTLDFLWN	FTLD WESTON	75.9%
FTPRFLMA	FORT PIERCE MAIN	75.0%
GLBRFLMC	GULF BREEZE	84.0%
GSVLFLMA	GSVL-MAIN	85.8%
GSVLFLNW	GSVL-NORTHWEST	87.6%
HLWDFLHA	HLWD HALLANDALE	69.8%
HLWDFLMA	HOLLYWOOD MAIN	66.3%
HLWDFLPE	HLWD PEMBROKE PINES	59.4%
HLWDFLWH	HLWD WEST HOLLYWOOD	67.8%
HMSTFLHM	HOMESTEAD MAIN	84.1%
HTISFLMA	HTCHNSON IS MAIN	70.5%
JCBHFLMA	JCBH-MAIN	73.8%
JCVLFLAP	JCVL-ARLINGTON	67.7%
JCVLFLBW	JCVL-BEACHWOOD	68.9%
JCVLFLCL	JCVL-CLAY STREET MGO	70.5%
JCVLFLFC	JCVL-FT CAROLINE	68.9%
JCVLFLIA	JCVL-INT'L AIRPORT	71.1%
JCVLFLJT	JCVL-SOUTHPOINT	73.3%
JCVLFLLF	JCVL-LAKE FOREST	75.6%
JCVLFLNO	JCVL-NORMANDY	85.9%
JCVLFLOW	JCVL-OCEANWAY	76.0%
JCVLFLRV	JCVL-RIVERSIDE	72.8%
JCVLFLSJ	JCVL-SAN JOSE	67.7%
JCVLFLSM	JCVL-SAN MARCO	73.7%
JCVLFLWC	JCVL-WESCONNETT	82.6%
JPTRFLMA	JUPITER MAIN	78.2%
KYWSFLMA	KEY WEST MAIN	86.8%
LKCYFLMA	LAKE CITY	76.0%
LKMRFLMA	LAKE MARY	80.3%
MIAMFLAE	MIAM ALHAMBRA	77.5%
MIAMFLAL	MIAM ALLAPATTAH	77.2%
MIAMFLAP	MIAM AIRPORT	77.6%
MIAMFLBA	MIAM BAYSHORE	76.0%
MIAMFLBC	MIAM BISCAYNE	80.4%
MIAMFLBR	MIAM BEACH	73.7%
MIAMFLCA	MIAM CANAL	70.5%
MIAMFLDB	MIAM JADELAND BLVD	85.1%
MIAMFLFL	MIAM FLAGLER	70.5%
MIAMFLGR	MIAM GRANDE	79.7%

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EXHIBIT SGM-1

January Key		
CLI	Wire Center (CO)	Estimated Share as of Sept-2002
MIAMFLHL	MIAM HIALEAH	70.1%
MIAMFLIC	MIAM INDIAN CREEK	73.2%
MIAMFLKE	MIAM KEY BISCAYNE	83.6%
MIAMFLME	MIAM METRO	70.6%
MIAMFLNM	MIAM NORTH MIAMI	69.7%
MIAMFLNS	MIAM NORTHSIDE	73.0%
MIAMFLOL	MIAM OPA LOCKA	72.1%
MIAMFLPB	MIAM POINCIANA	69.5%
MIAMFLPL	MIAM PALMETTO	73.9%
MIAMFLRR	MIAM RED ROAD	81.0%
MIAMFLSH	MIAM MIAMI SHORES	72.3%
MIAMFLSO	MIAM SILVER OAKS	69.4%
MIAMFLWD	MIAM W. DADE	73.7%
MIAMFLWM	MIAM W. MIAMI	71.8%
MLBRFLMA	MELBOURNE	75.0%
MLTNFLRA	MILTON RAVINE	89.0%
MNDRFLLO	MNDR-LORETTO	80.0%
NDADFLAC	NDAD ARCH CREEK	64.4%
NDADFLBR	NDAD BRENTWOOD	71.2%
NDADFLGG	NDAD GOLDEN GLADES	74.0%
NDADFLOL	NDAD JLETA	72.6%
NSBHFLMA	NEW SMYRNA BCH	79.9%
ORLDFLAP	ORLD-AZALEA PARK	84.9%
ORLDFLCL	ORLD-COLONIAL	75.2%
ORLDFLMA	ORLD-MAGNOLIA	80.8%
ORLDFLPC	ORLD-PINECASTLE	84.6%
ORLDFLPH	ORLD-PINEHILLS	77.4%
ORLDFLSA	ORLD-SAND LAKE	79.4%
ORPKFLMA	ORPK-MAIN	71.1%
ORPKFLRW	ORPK-RIDGEWOOD	78.0%
OVIDFLCA	OVIDO	82.5%
PCBHFLNT	PANAMA CITY BEACH	78.6%
PLCSFLMA	PALM COAST	89.4%
PLTKFLMA	PALATKA	81.8%
PMBHFLCS	PMBH CORAL SPRINGS	68.6%
PMBHFLFE	PMBH FEDERAL	68.0%
PMBHFLMA	PMBH MARGATE	68.9%
PMBHFLTA	PMBH TAMARAC	73.7%
PNCYFLMA	PANAMA CITY MAIN	82.0%
PNSCFLBL	PNSC-BELMONT	73.9%
PNSCFLFP	PNSC-FERRY PASS	80.3%
PNSCFLWA	PNSC-WARRINGTON	81.8%
PNVDFLMA	PONTE VEDRA BCH	89.4%
PRRNFLMA	PERRINE MAIN	73.9%
PTSLFLMA	PORT ST. LUCIE MAIN	79.3%
PTSLFLSO	PTSL SOUTH PTSL	71.8%
SNFRFLMA	SANFORD-O-WS	68.1%
STAGFLMA	STAG-MAIN	72.5%
STRTFLMA	STUART MAIN	67.4%
TTVLFLMA	TITUSVILLE	78.8%
VRBHFLMA	VERO BEACH MAIN	76.0%
WPBHFLAN	WPBH MAIN ANNEX	82.9%
WPBHFLGA	WPBH GREENACRES	74.8%
WPBHFLGR	WPBH GARDENS	79.4%
WPBHFLHH	WPBH HAVERHILL	70.7%
WPBHFLLE	WPBH LAKE WORTH	76.7%
WPBHFLRB	WPBH RIVIERA BCH	72.7%
WPBHFLRP	WPBH RYL PLM BCH	78.4%
WWSPFLHI	WWSP-HIGHLAND	74.8%
WWSPFLSH	WWSP-SPRING HILL	74.7%

PROPRIETARY

EXHIBIT SGM-2

June Key		
CLLI	Wire Center (CO)	Estimated Share as of Sept-2002
BCRTFLBT	BCRT BOCA TEECA	77.1%
BCRTFLMA	BOCA RATON MAIN	70.2%
BCRTFLSA	BCRT SANDALFOOT	77.6%
BKVLFLJF	BROOKSVILLE	85.0%
BYBHLMA	BOYNTON BEACH MAIN	74.3%
CCBHLMA	COCCA BEACH	73.3%
COCOFLMA	COCCA-MAIN	75.7%
COCOFLME	COCCA-MERRITT ISLAND	80.6%
DBRYFLDL	DEBARY DELTONA	82.8%
DBRYFLMA	DEBARY MAIN	84.8%
DELDFLMA	DELAND	88.0%
DLBHFLKP	DLBH KINGS POINT	72.9%
DLBHFLMA	DELRAY BEACH MAIN	72.3%
DRBHFLMA	DEERFIELD BEACH MAIN	72.1%
DYBHLMA	DYBH-MAIN	81.5%
DYBHFLOB	DYBH-ORMOND BEACH	81.1%
DYBHFLOP	DYBH-PORT ORANGE	80.2%
EGLLFLBG	EGLL-BOWE GARDENS	77.8%
EGLLFLIH	EGLL-INDIAN HRBR BCH	85.1%
FRBHFLFP	FERNANDINA BEACH	82.8%
FTLDFLCR	FTLD CORAL RIDGE	68.7%
FTLDFLCY	FTLD CYPRESS	69.0%
FTLDFLJA	FTLD JACARANDA	72.1%
FTLDFLMR	FT LAUD MAIN RELIEF	73.4%
FTLDFLQA	FTLD OAKLAND	63.3%
FTLDFLPL	FTLD PLANTATION	69.5%
FTLDFLSG	FTLD SAWGRASS	84.1%
FTLDFLSU	FTLD SUNRISE	70.3%
FTLDFLWN	FTLD WESTON	75.9%
FTRFLMA	FORT PIERCE MAIN	75.0%
GLBRFLMC	GULF BREEZE	84.0%
GSVLFLMA	GSVL-MAIN	85.8%
HLWDFLHA	HLWD HALLANDALE	69.8%
HLWDFLMA	HOLLYWOOD MAIN	66.3%
HLWDFLPE	HLWD PEMBROKE PINES	59.4%
HLWDFLWH	HLWD WEST HOLLYWOOD	67.8%
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HTISFLMA	HUTCHINSON IS. MAIN	70.5%
JCBHLMA	JCBH-MAIN	73.8%
JCVLFLAR	JCVL-ARLINGTON	67.7%
JCVLFLBW	JCVL-BEACHWOOD	68.9%
JCVLFLCL	JCVL-CLAY STREET MGO	70.5%
JCVLFLFC	JCVL-FORT CAROLINE	68.9%
JCVLFLJT	JCVL-SOUTHPOINT	73.3%
JCVLFLLF	JCVL-LAKE FOREST	75.6%
JCVLFLNO	JCVL-NORMANDY	85.9%
JCVLFLOW	JCVL-OCEANWAY	76.0%
JCVLFLRV	JCVL-RIVERSIDE	72.8%
JCVLFLSJ	JCVL-SAN JOSE	67.7%
JCVLFLSM	JCVL-SAN MARCO	73.7%
JCVLFLWC	JCVL-WESCONNETT	82.6%
JPTRFLMA	JUPITER MAIN	78.2%
KYWSFLMA	KEY WEST MAIN	86.8%
LKMRFLMA	LAKE MARY	80.3%
MIAMFLAE	MIAM ALHAMBRA	77.5%
MIAMFLAL	MIAM ALLAPATTAH	77.2%
MIAMFLAP	MIAM AIRPORT	77.6%
MIAMFLBA	MIAM BAYSHORE	76.0%
MIAMFLBC	MIAM BISCAYNE	80.4%
MIAMFLBR	MIAM BEACH	73.7%
MIAMFLCA	MIAM CANAL	70.5%
MIAMFLDB	MIAM DADELAND BLVD	85.1%
MIAMFLFL	MIAM FLAGLER	70.5%
MIAMFLGR	MIAM GRANDE	79.7%
MIAMFLHL	MIAM HIALEAH	70.1%

PROPRIETARY

EXHIBIT SGM-2

June Key		
CLI	Wire Center (CO)	Estimated Share as of Sept-2002
MIAMFLIC	MIAM INDIAN CREEK	73.2%
MIAMFLME	MIAM METRO	70.6%
MIAMFLNM	MIAM NORTH MIAMI	69.7%
MIAMFLNS	MIAM NORTHSIDE	73.0%
MIAMFLLOL	MIAM OPA LOCKA	72.1%
MIAMFLPB	MIAM POINCIANA	69.5%
MIAMFLPL	MIAM PALMETTO	73.9%
MIAMFLRR	MIAM RED ROAD	81.0%
MIAMFLSH	MIAM MIAMI SHORES	72.3%
MIAMFLSO	MIAM SILVER OAKS	69.4%
MIAMFLWD	MIAM W. DADE	73.7%
MIAMFLWM	MIAM W. MIAMI	71.8%
MLBRFLMA	MELBOURNE	75.0%
MNDRFLLO	MNDR-LORETTO	80.0%
NDADFLAC	NDAD ARCH CREEK	64.4%
NDADFLBR	NDAD BRENTWOOD	71.2%
NDADFLGG	NDAD GOLDEN GLADES	74.0%
NDADFLLOL	NDAD OLETA	72.6%
NSBHFLMA	NEW SMYRNA BCH	79.9%
ORLDFLAP	ORLD-AZALEA PARK	84.9%
ORLDFLCL	ORLD-COLONIAL	75.2%
ORLDFLMA	ORLD-MAGNOLIA	80.8%
ORLDFLPC	ORLD-PINECASTLE	84.6%
ORLDFLPH	ORLD-PINEHILLS	77.4%
ORLDFLSA	ORLD-SAND LAKE	79.4%
ORPKFLMA	ORPK-MAIN	71.1%
ORPKFLRW	ORPK-RIDGEWOOD	78.0%
OVIDFLCA	OVIEDO	82.5%
PCBHFLNT	PANAMA CITY BEACH	78.6%
PMBHFLCS	PMBH-CORAL SPRINGS	68.6%
PMBHFLFE	PMBH FEDERAL	68.0%
PMBHFLMA	PMBH MARGATE	68.9%
PMBHFLTA	PMBH TAMARAC	73.7%
PNCYFLMA	PANAMA CITY MAIN	82.0%
PNSCFLBL	PNSC-BELMONT	73.9%
PNSCFLFP	PNSC-FERRY PASS	80.3%
PNSCFLWA	PNSC-WARRINGTON	81.8%
PNVDFLMA	PONTE VEDRA BCH	89.4%
PRRNFLMA	PERFINE MAIN	73.9%
PTSLFLMA	PORT ST. LUCIE MAIN	79.3%
PTSLFLSO	PTSL SOUTH PTSL	71.8%
SNFRFLMA	SANFORD-O-WS	68.1%
STAGFLMA	STAG-MAIN	72.5%
STRTFLMA	STUART MAIN	67.4%
TTVLFLMA	TITUSVILLE	78.8%
VRBHFLMA	VERO BEACH MAIN	76.0%
WPBHFLAN	WPBH MAIN ANNEX	82.9%
WPBHFLGA	WPBH GREENACRES	74.8%
WPBHFLGR	WPBH GARDENS	79.4%
WPBHFLHH	WPBH HAVERHILL	70.7%
WPBHFLLE	WPBH LAKE WORTH	76.7%
WPBHFLRB	WPBH RIVIERA BEACH	72.7%
WPBHFLRP	WPBH ROYAL PALM BCH	78.4%
WWSPFLHI	WWSP-HIGHLAND	74.8%
WWSPFLSH	WWSP-SPRING HILL	74.7%
VRBHFLBE	VRBH BEACHLAND	77.8%
MNDRFLAV	MNDR-AVENUES	55.1%

PROPRIETARY