

Susan Callaghan
Senior Director

BellSouth Business Systems
2180 Lake Boulevard
Atlanta, GA 30319

November 28, 2006

Ms. Beth Salak
Division of Competitive Markets
and Enforcements
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-085

030867-TL
030868-TL
030869-TL
030961-TI

Dear Ms. Salak,

Pursuant to Florida Law 364.163, BellSouth Long Distance, Inc., ("BellSouth Long Distance") is required to pass through the cost savings received from access reductions under the rebalance legislation.

Verizon and Embarq have completed their 2006 rebalance activities which included access reductions which produce an annual cost savings for BellSouth Long Distance of \$***. This expected savings was determined based on the past 12 month actual MOUs (Nov. 2005 - Oct. 2006) multiplied by the amount of the access reductions. (12 months terminating minutes to Verizon and Embarq = **** minutes; Verizon - ***** minutes X \$0.0084379 = \$***; Embarq - **** minutes X \$0.01282 = \$***)

Last year, BellSouth Long Distance reduced prices on several plans to give customers the benefit of the 2005 rebalance access savings. The most significant reductions came from \$5.00 to \$7.00 reductions in the intrastate portion of our Consumer unlimited long distance plans and the elimination of intraLATA toll metered charges on our Preferred Rate Plus Plan for small businesses. Over the past year more than **** customers have benefited from these reductions resulting in \$*** in savings.

In addition, over \$*** was passed on to end users via additional reductions, making the total savings passed through to end-users during the 2005-2006 period \$***. (The BellSouth Long Distance pass through obligation for the first rebalance period was \$***)

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

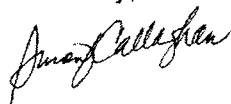
The benefits received by these BellSouth Long Distance customers will continue into the future and are expected to exceed \$*** over the coming 12 months.

Because of the overwhelming success of these plans, BellSouth Long Distance proposes to pass the \$*** of cost savings from Verizon's and Embarq's switched access reductions to customers via the continuation of these rate reductions for new customers. We forecast new customers will receive \$*** to \$*** of savings over the next 12 months. These savings are in addition to the \$*** of saving customers who signed up during the 2005-2006 time period are expected to receive.

Once the 2006 BellSouth Telecommunications rebalance is complete, BellSouth Long Distance will take the appropriate action to ensure that additional access cost savings are passed along to end-users if required. No additional price reduction filings will be made by BellSouth Long Distance at this time.

BellSouth Long Distance's monthly tracking report is available for review. The calculation of the estimate for 2006-2007 is included with this submission.

Sincerely,



Susan Callaghan
Senior Director
BellSouth Business Systems
on behalf of BellSouth Long Distance, Inc.

IXC Flow-Through Worksheet

Name:

BellSouth Long Distance (BSLD)

Time Period:

Period 2 (November 2006 - October 2007)

Calculation of \$ Savings and % Reduction

LEC	Forecast MOUs	Rate Change	Switched Access Savings
1) Embarq Terminating CCL		\$0.012820	
2) Verizon RIC/ACE		\$0.008438	
3) BST Local Switching		TBD	
4) BST CCL Terminating		TBD	
Total			

Savings Spread - Specific Rate Elements

Rate Element (USOC)	Plan Names	Estimated EOP Subs	Reduction in Intrastate Rate	Estimated Customer Savings
1) BSLUW => BSLXC	Unlimited Plan => Complete Choice Unlimited Plan		\$5	
2) BSLU2 => BSLU8	Unlimited Savings Value Plan => Complete Choice Unlimited Savings		\$7	
3) BSLQV => BSLQA	Basic Unlimited II Plan => BellSouth Advantage Unlimited Plan		\$5	
4) BSLU4 => BSLXU	Basic Unlimited II Value Plan => BellSouth Advantage Unlimited Value		\$5	
5) BSLUX => Deleted (Subs to BSLXC)	Unlimited Multi-Line => Deleted (Subs to Complete Choice Unlimited Plan)		\$11	
Total				

Metered Rate Element (USOC)	Plan Names	Estimated MOU	Reduction in Intrastate Rate	Estimated Customer Savings
1) BSLDJ => BSLDH	Business Appreciation Plan => Business Appreciation II Plan		\$0.010	
2) BSLDA => BSLEG	Preferred Rate Plan => Preferred Rate Plus Plan		\$0.069	
3) Wholesale Termination Service	Not Applicable		\$0.0060	
4) BSL11 & BSLXL => No change	Dollar Plan & Dollar Value Plan		\$0.010	
Total				
			Sub-Total Planned	

IXC Summary Information

IXC: BSLD

Dollar amount flowed through as required =

Additional dollar amount flowed through =

Total dollar amount flowed through =

Effective date of flow-through:

1-Nov-06

Note: MOUs are estimated for Nov 2006-Oct 2007, based on actuals from Oct 2005-Sep 2006