

BELLSOUTH TELECOMMUNICATIONS, LLC (BellSouth)
DESCRIPTION AND JUSTIFICATION
September 15, 2017

PURPOSE

In this filing, BellSouth Telecommunications, LLC (BellSouth) proposes to:

- File a revised Tariff Review Plan (TRP) with updated exogenous cost changes due to the revised Telecommunications Relay Service (TRS) factor of .02289, released by the FCC on June 30th, 2017.
- Revise the Universal Service Fund (USF) factor to calculate the 4th Quarter 2017 USF obligations.
- Update line counts used in the calculation of the Federal Universal Service Fund (FUSF) recovery charges billed to residential and business customers.

Telecommunications Relay Service

In the 2017 Annual Filing, filed on June 16, 2017, the proposed factor of 0.02244 was used to calculate exogenous costs. With this filing, BellSouth is utilizing the factor in DA 17-642, released on June 30th, 2017. The development of the TRS exogenous cost for this filing is provided on *Exhibit 2.5*. The difference between the TRS factors, as shown on *Exhibit 2.5*, is “grossed up” to ensure recovery of a full twelve months at the new rate. The Commission has Ruled Telecommunications Relay Service (TRS) fund payments¹ may be treated as exogenous.

¹ *In the Matter of Telecommunications Relay Service, and the Americans with Disabilities Act of 1990*, CC Docket No. 90-571, *Second Order on Reconsideration and Fourth Report and Order*, released September 29, 1993, paragraph 18.

Exogenous Costs

Part 61.45(d) (3) requires that exogenous cost changes be apportioned between price cap services and excluded services. BellSouth adjusted the TRS exogenous cost changes to remove impacts associated with services that are excluded from price cap regulation, to the extent that revenues for these services existed and were identifiable. The Telecommunication Relay Service exogenous cost change is allocated to the Common Line Basket and the Special Access Basket. *Exhibit 2.6* demonstrates the revenue impact for corresponding rate adjustments.

Price Cap Compliance

The attached Tariff Review Plan (TRP) reflects the net revenue changes resulting from the exogenous cost changes associated with the revised TRS factor. All rate offsets are detailed on *Exhibit 3*.

Federal Universal Service Fund Adjustments

This filing is to revise BellSouth's USF obligation based on updated line counts. The 4th Quarter 2017 contribution factor, 18.8 %, was provided in the Commission's Public Notice, DA 17-884, released September 12, 2017. Recovery of this contribution is allowable pursuant to *C.F.R. 69.158*. The methodology used to calculate end user charges assessed to recover this liability is detailed below.

Calculation of the Federal Universal Service Fund Flat Rate End User Charge

To ensure compliance with the Commission's *Interim Contribution Methodology Order*, BellSouth recovers its USF obligation associated with switched access services through various flat-rate end user charges.¹ The charges are assessed with respect to the interstate end user service that generates the USF obligation. BellSouth assesses two general types of USF charges (Basic and Non-recurring) for switched access customers. These charges are calculated using the following methodology as shown on *Exhibit 1* and *Exhibit 2*.

Basic USF Recovery Charges

These charges are assessed to switched access lines, to recover the USF obligation associated with the assessment of End User Common Line (EUCL) and End User Port charges.

¹See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, *Report and Order and Second Further Notice of Proposed Rule Making*, 17 FCC RCD 24952 (2002) (*Interim Contribution Methodology Order*).

1. Residential/Single Line Business (SLB)

BellSouth develops the Basic USF charge for residential and single line business customers by multiplying EUCL charges assessed to these customers by the relevant contribution factor released by the Commission. The calculation for the Basic FUSF Residential/Single Line Business rate is demonstrated on *Exhibit 1*.

2. BRI ISDN

Bellsouth develops the Basic USF charge for BRI ISDN and BRI ISDN Port customers by adding together EUCL and BRI ISDN / Centrex Port charges assessed to these customers to obtain the total basic interstate end user charges. The total basic interstate end user charges are multiplied by the relevant contribution factor released by the Commission. The calculation for the Basic FUSF BRI ISDN rate is demonstrated on *Exhibit 1*.

3. Multi-line Business, PRI ISDN, and Centrex

Bellsouth elected to utilize the provisions granted in the Commission's *Order* and *Second Order on Reconsideration* regarding Centrex customers.² A portion of the unrecovered obligation created from using the PICC equivalency ratios for Centrex customers is applied to Multi-line business customers. However, due to the constraints included in the Commission's *Order*, BellSouth averages the obligation associated with End User Common Line (EUCL) charges for Centrex customers.

Bellsouth determines the basic USF recovery rate for business customers using the methodology detailed below.

² See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, *Order and Second Order on Reconsideration*, FCC 03-58, para. 3 (rel. March 14, 2003).

Establish the Basic Multi-line Business Rate

Step 1 – Determine total revenue using access lines as of June 2017 for these customers generated from EUCL assessments by multiplying the EUCL rate by the number of lines.

Step 2 – Multiply the result from Step 1 by the contribution factor to obtain the obligation associated with the customer base.

Step 3 – Divide the obligation developed in Step 2 by the number of billable lines (using lines as of June 2017). The line base is adjusted using PICC equivalency ratios as defined in Part 69.153. The result is the Basic MLB rate per line.

Step 4 – Add to the Basic MLB rate, all other USF recovery associated with the customer type. Step 4 is calculated by customer type for Multi-line business, PRI ISDN, and Centrex customers as shown in *Exhibit 2*. The final rates per customer type are detailed on both *Exhibit 1* and *Exhibit 2*. These final rates preclude any recovery necessary from non-recurring interstate end user charges.

Other Non-recurring USF Surcharges

Non-recurring USF surcharges are assessed to interstate end user non-recurring charges, which generate a USF obligation. BellSouth calculates other non-recurring USF charges by multiplying the non-recurring charge by the contribution factor. These USF recovery charges will only be assessed per occurrence of the interstate end user non-recurring charge. The calculations for these charges are detailed in *Exhibit 1*. For billing purposes, the USF recovery charge may be added to the existing interstate end user charge which generates the obligation.

BellSouth assesses Lifeline customers the non-recurring USF charges when they are assessed the non-recurring charge that generates the obligation. Bellsouth also assesses Interexchange Carriers (ICs) the Presubscribed Interexchange Change (PIC) USF Charge when the IC is assessed the PIC change charge.

Other Recurring Federal Universal Fund Surcharges

BellSouth will continue to recover its other recurring (i.e. Special Access and True Internet Protocol to Public Switched Telephone Network (TIPToP) Service) USF obligations through a percentage-based USF recovery charge applied to interstate end user billed revenues. This percentage-based USF recovery charge is set equal to the Commission's contribution factor released via Public Notice.

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Alabama 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B) <i>0.188</i>	(C=A*B)
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2A		\$ 1.89
<i>CENTREX</i>		Exhibit 2A		\$ 12.05
		Exhibit 2A		\$ 0.21

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Florida 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B) <i>0.188</i>	(C=A*B)
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2B		\$ 1.96
<i>CENTREX</i>		Exhibit 2B		\$ 12.40
		Exhibit 2B		\$ 0.21

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Georgia 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B)	(C=A*B)
			0.188	
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2C		\$ 2.14
<i>CENTREX</i>		Exhibit 2C		\$ 13.30
		Exhibit 2C		\$ 0.23

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Kentucky 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B) 0.188	(C=A*B)
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2D		\$ 1.87
<i>CENTREX</i>		Exhibit 2D		\$ 11.95
		Exhibit 2D		\$ 0.20

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Louisiana 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B) 0.188	(C=A*B)
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2E		\$ 2.01
<i>CENTREX</i>		Exhibit 2E		\$ 12.65
		Exhibit 2E		\$ 0.22

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Mississippi 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B) <i>0.188</i>	(C=A*B)
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2F		\$ 2.03
<i>CENTREX</i>		Exhibit 2F		\$ 12.75
		Exhibit 2F		\$ 0.22

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

North Carolina 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B)	(C=A*B)
			0.188	
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2G		\$ 2.10
<i>CENTREX</i>		Exhibit 2G		\$ 13.10
		Exhibit 2G		\$ 0.23

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

South Carolina 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B)	(C=A*B)
			0.188	
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		1.67		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 8.17		\$ 1.53
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 8.17		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 10.61</u>		\$ 1.99
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 2H		\$ 2.00
<i>CENTREX</i>		Exhibit 2H		\$ 12.60
		Exhibit 2H		\$ 0.22

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Tennessee 4th Quarter 2017 Contribution Factor	Source <i>DA 17-884</i>	(A)	(B) 0.188	(C=A*B)
Basic USF Recovery Charge				
<i>Residential / Single-Line Business</i>		Rate		USF Charge
RES Access Recovery Charge (ARC)		0.00		
End User Common Line (EUCL) Rate		6.50		
ARC & EUCL Rate Combined		\$ 6.50		\$ 1.22
BRI ISDN				USF Charge
End User Common Line/ARC Rate		\$ 6.50		
BRI ISDN Port		\$ 2.44		
Total Basic Interstate End User Revenue		<u>\$ 8.94</u>		\$ 1.68
Multiline Business/Add.Res.				
<i>PRI ISDN</i>		Exhibit 21		\$ 1.80
<i>CENTREX</i>		Exhibit 21		\$ 11.60
		Exhibit 21		\$ 0.20

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Alabama 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		122,069		
L2	Centrex Lines < 9 Lines		278		
L3	Centrex lines > 9 Lines		27,926		
L4	PRI ISDN		11,488		
	BUS Access Recovery Charge (ARC)		\$2.15		
	End User Common Line (EUCL) Rate	\$	6.73		
L5	ARC & EUCL Rate Combined		\$8.88	\$8.88	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 1,083,973		
L7	PRI ISDN	L5*(L4*5)	\$ 510,067		
L8	Centrex	L5*(L2+L3)	\$ 250,452		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 1,844,491		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 346,764		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	27		
L11		0 L1+(L3/9)+(L4*5)+D29	182,639		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 1.89	
L13	Basic Centrex Rate	L12/9		\$ 0.21	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 9.45	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 230,710		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 5,923		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 108,562		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 345,195		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 12.05	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.21	
L21	Multiline Business	L12		\$ 1.89	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Florida 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		331,003		
L2	Centrex Lines < 9 Lines		273		
L3	Centrex lines > 9 Lines		91,359		
L4	PRI ISDN		24,942		
	BUS Access Recovery Charge (ARC)	\$2.16			
	End User Common Line (EUCL) Rate	\$ 6.73			
L5	ARC & EUCL Rate Combined	\$8.89		\$8.89	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 2,942,617		
L7	PRI ISDN	L5*(L4*5)	\$ 1,108,672		
L8	Centrex	L5*(L2+L3)	\$ 814,608		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 4,865,897		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 914,789		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	27		
L11		0 L1+(L3/9)+(L4*5)+D29	465,891		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 1.96	
L13	Basic Centrex Rate	L12/9		\$ 0.21	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 9.80	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 648,766		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 19,243		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 244,432		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 912,440		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 12.40	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.21	
L21	Multiline Business	L12		\$ 1.96	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Georgia 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		214,025		
L2	Centrex Lines < 9 Lines		746		
L3	Centrex lines > 9 Lines		115,884		
L4	PRI ISDN		28,233		
	BUS Access Recovery Charge (ARC)		\$2.16		
	End User Common Line (EUCL) Rate	\$	6.73		
L5	ARC & EUCL Rate Combined		\$8.89	\$8.89	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 1,902,682		
L7	PRI ISDN	L5*(L4*5)	\$ 1,254,957		
L8	Centrex	L5*(L2+L3)	\$ 1,036,841		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 4,194,480		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 788,562		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	72		
L11		0 L1+(L3/9)+(L4*5)+D29	368,138		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 2.14	
L13	Basic Centrex Rate	L12/9		\$ 0.23	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 10.70	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 458,014		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 26,825		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 302,093		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 786,932		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 13.30	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.23	
L21	Multiline Business	L12		\$ 2.14	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Kentucky 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		83,642		
L2	Centrex Lines < 9 Lines		33		
L3	Centrex lines > 9 Lines		16,165		
L4	PRI ISDN		6,740		
	BUS Access Recovery Charge (ARC)	\$2.15			
	End User Common Line (EUCL) Rate	\$ 6.73			
L5	ARC & EUCL Rate Combined		\$8.88	\$8.88	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 742,741		
L7	PRI ISDN	L5*(L4*5)	\$ 299,256		
L8	Centrex	L5*(L2+L3)	\$ 143,838		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 1,185,835		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 222,937		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	3		
L11		0 L1+(L3/9)+(L4*5)+D29	119,141		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 1.87	
L13	Basic Centrex Rate	L12/9		\$ 0.20	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 9.35	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 156,411		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 3,240		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 63,019		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 222,669		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>		Rate		
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 11.95	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.20	
L21	Multiline Business	L12		\$ 1.87	

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Universal Service Fee (USF) Rate Development

Louisiana 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		165,228		
L2	Centrex Lines < 9 Lines		1,691		
L3	Centrex lines > 9 Lines		49,082		
L4	PRI ISDN		9,655		
	BUS Access Recovery Charge (ARC)	\$2.15			
	End User Common Line (EUCL) Rate	\$ 6.73			
L5	ARC & EUCL Rate Combined	\$8.88		\$8.88	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 1,467,225		
L7	PRI ISDN	L5*(L4*5)	\$ 428,682		
L8	Centrex	L5*(L2+L3)	\$ 450,864		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 2,346,771		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 441,193		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	164		
L11		0 L1+(L3/9)+(L4*5)+D29	219,121		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 2.01	
L13	Basic Centrex Rate	L12/9		\$ 0.22	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 10.05	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 332,108		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 11,170		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 97,033		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 440,311		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 12.65	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.22	
L21	Multiline Business	L12		\$ 2.01	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Mississippi 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		98,184		
L2	Centrex Lines < 9 Lines		130		
L3	Centrex lines > 9 Lines		32,291		
L4	PRI ISDN		5,872		
	BUS Access Recovery Charge (ARC)	\$2.15			
	End User Common Line (EUCL) Rate	\$ 6.73			
L5	ARC & EUCL Rate Combined		\$8.88	\$8.88	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 871,874		
L7	PRI ISDN	L5*(L4*5)	\$ 260,717		
L8	Centrex	L5*(L2+L3)	\$ 287,898		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 1,420,489		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 267,052		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	13		
L11		0 L1+(L3/9)+(L4*5)+D29	131,145		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 2.03	
L13	Basic Centrex Rate	L12/9		\$ 0.22	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 10.15	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 199,314		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 7,133		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 59,601		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 266,047		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 12.75	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.22	
L21	Multiline Business	L12		\$ 2.03	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

North Carolina 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		136,804		
L2	Centrex Lines < 9 Lines		344		
L3	Centrex lines > 9 Lines		62,595		
L4	PRI ISDN		14,036		
	BUS Access Recovery Charge (ARC)		\$2.15		
	End User Common Line (EUCL) Rate	\$	6.73		
L5	ARC & EUCL Rate Combined		\$8.88	\$8.88	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 1,214,820		
L7	PRI ISDN	L5*(L4*5)	\$ 623,198		
L8	Centrex	L5*(L2+L3)	\$ 558,898		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 2,396,916		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 450,620		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	33		
L11		0 L1+(L3/9)+(L4*5)+D29	213,972		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 2.10	
L13	Basic Centrex Rate	L12/9		\$ 0.23	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 10.50	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 287,288		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 14,476		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 147,378		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 449,142		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 13.10	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.23	
L21	Multiline Business	L12		\$ 2.10	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

South Carolina 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		82,783		
L2	Centrex Lines < 9 Lines		46		
L3	Centrex lines > 9 Lines		28,821		
L4	PRI ISDN		8,025		
	BUS Access Recovery Charge (ARC)		\$2.15		
	End User Common Line (EUCL) Rate	\$	6.73		
L5	ARC & EUCL Rate Combined		\$8.88	\$8.88	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 735,113		
L7	PRI ISDN	L5*(L4*5)	\$ 356,310		
L8	Centrex	L5*(L2+L3)	\$ 256,339		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 1,347,762		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 253,379		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	4		
L11		0 L1+(L3/9)+(L4*5)+D29	126,115		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 2.00	
L13	Basic Centrex Rate	L12/9		\$ 0.22	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 10.00	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 165,566		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 6,351		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 80,250		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 252,167		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 12.60	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.22	
L21	Multiline Business	L12		\$ 2.00	

BellSouth Telecommunications, LLC
Universal Service Fee (USF) Rate Development

Tennessee 4th Quarter 2017 Contribution Factor		Source DA 17-884	(A)	(B) 0.188	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX Lines as of June 2017</i>					
L1	MLB Lines		151,203		
L2	Centrex Lines < 9 Lines		915		
L3	Centrex lines > 9 Lines		20,127		
L4	PRI ISDN		14,652		
	BUS Access Recovery Charge (ARC)		\$2.16		
	End User Common Line (EUCL) Rate	\$	6.73		
L5	ARC & EUCL Rate Combined		\$8.89	\$8.89	
MLB, PRI ISDN, Centrex Revenue					
L6	MLB	L5*L1	\$ 1,344,195		
L7	PRI ISDN	L5*(L4*5)	\$ 651,281		
L8	Centrex	L5*(L2+L3)	\$ 187,063		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 2,182,539		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 410,317		
	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)	L2* Equivalency Factor	89		
L11		0 L1+(L3/9)+(L4*5)+D29	226,788		
USF Rate per Line					
L12	Basic MLB Rate	L10/L11		\$ 1.80	
L13	Basic Centrex Rate	L12/9		\$ 0.20	
L14	Basic PRI ISDN Rate (excluding Port recovery)	L12*5		\$ 9.00	
Recovery Cross Check Verification					
L15	Basic MLB USF Recovery	L1*L12	\$ 272,165		
L16	Basic Centrex USF Recovery	(L2+L3)*L12	\$ 4,208		
L17	Basic PRI ISDN USF Recovery	L4*L14	\$ 131,868		
L18	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L18 < L10)		\$ 408,242		OK
Additives to the Basic MLB Rate					
	<i>PRI ISDN</i>			Rate	
L18	PRI ISDN Port Charge		\$ 14.00		\$2.60
Final Basic MLB, PRI ISDN, & Centrex USF Rates Summary					
L19	PRI ISDN	L14+L18		\$ 11.60	Tariff Rate
L20	Centrex & Centrex Station	L13		\$ 0.20	
L21	Multiline Business	L12		\$ 1.80	

**AT&T - BELL SOUTH TELECOMMUNICATIONS, LLC.
TELECOMMUNICATIONS RELAY SERVICE
EXOGENOUS COST DETAIL**

Exhibit 2.5

	2016 Annual Interstate End User Revenues (499A) (A)	Rolka Loube Est. 6/2/2017 Telecom Relay (B) = A * 0.02244	DA 17-642 6/30/2017 Telecom Relay (C) = A * 0.02289	Difference (D) = C - B	Annualization (E) = D * 12 / 9
Exogenous Amount	\$ 1,244,919,023	\$ 27,935,983	\$ 28,496,196	\$ 560,214	\$ 746,951
Excluded Revenue	\$ 144,709,012				88.38%
Price Cap Revenue Percentage	88.38%				\$ 660,126

	2016 Annual Total End User Revenues (499A) (A')
Exogenous Amount	\$ 4,503,105,338
Excluded Revenue	\$ 144,709,012
Price Cap Revenue Percentage	96.79%

	Common Line	Special	Price Cap Revenue
499A 2016 Interstate End User Revenues	\$ 926,708,791	\$ 173,501,220	\$ 1,100,210,011
Allocation Basis	84.23%	15.77%	
Telecom. Relay Support	\$ 556,025	\$ 104,101	\$ 660,126
	\$ 556,025	\$ 104,101	\$ 660,126

**AT&T - BELLSOUTH TELECOMMUNICATIONS, LLC.
SUMMARY OF EXOGENOUS COSTS AND DISTRIBUTIONS
TO NON-ATS SERVICES**

LINE	DESCRIPTION	'R' VALUE (A)	DISTRIBUTION (B) = (A/LINE 9A)	EDT EXOG (C)	ITC EXOG (D)	TRS EXOG (E)	REG FEE EXOG (F)	TOTAL
1	INTERSTATE EXOGENOUS COST TO BE DISTRIBUTED (Exhibit 2.5,b; 2.2 b)			-	-			
2	% OF EDT AND ITC EXOG COST W/EXCLUDED SERVICES EXHIBIT 2.3			0.00%	0.00%			
3	EXOGENOUS COSTS TO BE DISTRUBUTED (L1*(1-L2))			-	-	660,126	-	660,126
4	COMMON LINE EUCL AND PICC 'R' (Sum1 Column A, Row 100)	370,598,265	50.48%	-	-	556,025	-	556,025
5	INTEREXCHANGE BASKET 'R'	-	0.00%	-	-			-
6	SPECIAL ACCESS BASKET 'R'	363,528,092	49.52%	-	-	104,101	-	104,101
7	TOTAL (SUM L4 THRU L8)	734,126,357	100.00%	-	-	660,126	-	660,126

**Effective 10/01/2003 TRS and Reg Fee Exogenous is only spread between the Common Line and Special Access Baskets

**AT&T - BELL SOUTH TELECOMMUNICATIONS
RATE COMPARISON**

Exhibit 3

REGION	STATE	RATE ELEMENT	CURRENT RATE	PROPOSED RATE
BSTR	ALL	PRIMARY RESIDENCE EUCL	\$6.50	\$6.50
BSTR	ALL	SINGLE LINE BUSINESS EUCL	\$6.50	\$6.50
BSTR	ALL	MULTILINE BUSINESS EUCL	\$6.71	\$6.73
BSTR	ALL	PRI ISDN EUCL	\$6.71	\$6.73
BSTR	ALL	NON-PRIMARY RESIDENCE EUCL	\$6.71	\$6.73
BSTR	ALL	BRI ISDN EUCL	\$6.71	\$6.73
BSTR	ALL	BUSINESS CENTREX EUCL	\$6.71	\$6.73
BSTR	ALL	LIFELINE EUCL	\$6.50	\$6.50