

CALCULATION OF 1st QTR 2003 BELLSOUTH UNIVERSAL SERVICE FUND (USF) CONTRIBUTION

<u>Line</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Interstate USF Contribution Base (July 2002 - Sept 2002)	FCC Form 499-Q Filed November 1, 2002 Line 116(b)	\$628,418,060
2	Federal Universal Service Surcharges Included in Contribution Base	USAC Summary of Charges and Credits	42,564,397
3	Adjusted USF Contribution Base (July 2002 - Sept 2002)	Line 1 - Line 2	585,853,663
4	Adjusted Interstate USF Contribution Base Annualized	Line 3 * 4	2,343,414,652
5	USF Contribution Factor	FCC Public Notice, December 9, 2002 DA 02-3387	0.072805
6	Total BellSouth Adjusted USF Contribution Annualized	Line 4 * Line 5	170,612,304
7	End User Special Access USF Base (July 2002 - Sept 2002)	FCC Form 499-Q Filed November 1, 2002 Line 406(d)	149,448,363
8	EU Special Access USF Base Annualized	Line 7 * 4	597,793,452
9	End User Special Access USF Contribution Annualized	Line 8 * Line 5	43,522,352
10	Total Adjusted USF Contribution Less EU Special Access USF Contribution Annualized	Line 6 - Line 9	\$127,089,952

CALCULATION OF 1st QTR 2003 BELLSOUTH FEDERAL UNIVERSAL SERVICE CHARGE

USF Contribution Recovery Amount

<u>Line</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>
1	Total USF Contribution Less End User Special Access USF Contribution Annualized	USF Contribution Workpaper Line 10	\$127,089,952

End User Switched Access Lines as of 09/02

2	Total Primary Res/Single Line Business Lines	Customer Billing Records	14,215,230
3	Total Lifeline Lines	Customer Billing Records	348,662
4	Primary Res/Single Line Bus Less Lifeline Lines	Line 2 - Line 3	13,866,568
5	Non-Primary Res/Basic Rate ISDN Lines	Customer Billing Records	2,125,855
6	Multi-Line Business Lines	Customer Billing Records	4,026,436
7	Primary Rate ISDN Lines (5 times equivalency)	Customer Billing Records	215,534
8	Total Centrex Lines	Customer Billing Records	1,251,062
9	Total Equivalent Centrex Lines	Line 8 / 9	139,007
10	Total Equivalent Resold Lines	Customer Billing Records	490,812
11	Total End User Switched Access Lines	Lines 4 + 5 + 6 + 7 + 9 - 10	19,882,588

BellSouth Federal Universal Service Charge Calculation

12	Annual Federal Universal Service Charge	Line 1 / Line 11	\$6.39
13	Monthly Federal Universal Service Charge	Line 12 / 12	\$0.53