

BELLSOUTH TELECOMMUNICATIONS, INC.

**MODIFICATIONS TO THE PRIMARY RATE ISDN MONTHLY
FEDERAL UNIVERSAL SERVICE CHARGE AND
CERTAIN SPECIAL ACCESS SERVICES RATES**

DESCRIPTION AND JUSTIFICATION

TRANSMITTAL NO. 727

With this filing, BellSouth Telecommunications, Inc. (hereinafter "BellSouth"), is revising its Access Services Tariff, F.C.C. No. 1, to modify the Primary Rate ISDN Monthly Federal Universal Service Charge from \$5.73 to \$5.70 due to limitations within its Customer Records Information System (CRIS) billing database. This modification will not affect BellSouth's contributions made to the Federal Universal Service Fund, only the recovery of those contributions from Primary Rate ISDN customers.

Also with this filing, BellSouth is correcting an error made in calculating the Telecommunications Relay Services (TRS) exogenous cost. In determining the amount of the TRS contribution exogenous associated with end user price cap services, BellSouth did not exclude end user special access services subject to Phase II Pricing Flexibility, which are no longer subject to price cap regulation. The result of this error was to overstate the exogenous adjustment for the 2003 Annual Access Services filing. The actual exogenous adjustment is \$1,471,035 instead of \$2,351,624 filed in Transmittal No. 724.

In addition, when allocating the exogenous adjustment to price cap baskets, BellSouth did not exclude end user special access revenues not subject to price cap regulation (i.e., Phase II Pricing Flexibility services). In Transmittal No. 724, BellSouth used the

amount of \$660,210,587 as total end user special access revenue. This amount must be reduced by end user special access revenue not subject to price cap regulation. When this adjustment is made, end user special access revenue subject to price cap regulation is \$145,246,329. The result of this adjustment and the reduction in the exogenous cost, changes the allocation to the Common Line and Special Access baskets. The Common line basket exogenous change decreases from \$1,669,239 to \$1,349,652. The Special Access basket exogenous change decreases from \$682,385 to \$121,383. BellSouth is adjusting certain Special Access Services rates due to revisions in the exogenous cost changes relative to the 2003 Telecommunications Relay Services (TRS) Fees Adjustment.

The supporting workpapers included with this filing are:

Appendix A Exhibit A-1, Exogenous Cost Change Summary
 Exhibit A-4, 2003 TRS Fees Worksheet

Appendix B Revisions to SUM-A, CAP-1, CAP-2, and PCI-1 Workpapers
 Revisions to SP-1 part 1 Workpaper - all modifications are in this file

BSTRA03B.wk4 Revisions to Rate Detail, Special Access part 1

BSTRAN03.wk4 Revisions to the TRP

Pursuant to Special Permission Number 03-061, Transmittal 727 is scheduled to become effective on July 1, 2003.