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**BellSouth Telecommunications, Inc. 404-829-7497**  
2180 Lake Boulevard N.E.  
5C73  
Atlanta, Georgia 30319

**Jennette C. Fields**  
**Tariff Administrator**

April 30, 2004

Secretary  
Federal Communications Commission  
Washington, D.C. 20554

Attention: Wireline Competition Bureau

The accompanying Short Form Tariff Review Plan and related material is hereby submitted in compliance with the July 1, 2004 Annual Access Charge Tariff Filings Order released on April 19, 2004 (WCB/Pricing 04-18, DA 04-1049) and the Tariff Review Plans instructions, also released on April 19, 2004 (WCB/Pricing 04-15, DA 04-1048). This material reflects BellSouth's initial calculations of the data set forth in the forms accompanying the TRP instructions.

BellSouth is also providing support material including an estimate of Exogenous Cost Changes, a list of new services and current Part 69 waivers.

BellSouth's Short Form Tariff Review Plan and supporting documentation is being filed electronically via the Electronic Tariff Filing System (ETFS).

All official pleadings and related material concerning this filing may be directed to Mr. Richard M. Sbaratta, General Attorney, BellSouth Corporation, Suite 4300, 675 West Peachtree Street, Atlanta, Georgia 30375 or faxed to Mr. Richard M. Sbaratta at (404) 614-4054.

All correspondence and inquiries in connection with this publication should be addressed to Mr. Glenn Reynolds at BellSouth D.C., Inc., Suite 900, 1133 21st Street, N.W., Washington, D.C. 20036, (202) 463-4112.

Yours truly,

A handwritten signature in cursive script that reads "Jennette C. Fields".

Jennette Fields

Enclosures: Short Form Tariff Review Plan  
Supporting Documentation

**BELLSOUTH TELECOMMUNICATIONS, INC.**

**DESCRIPTION AND JUSTIFICATION**

**SHORT FORM TARIFF REVIEW PLAN (TRP)**

**TRANSMITTAL NO.: LETTER**

**1.0 INTRODUCTION**

This filing is being made in accordance with Sections 61.41 through 61.49 of the Commission's Rules and in compliance with the July 1, 2004 Annual Access Charge Tariff Filings Order<sup>1</sup> released on April 19, 2004 and the Tariff Review Plan Instructions Order<sup>2</sup>, also released on April 19, 2004. BellSouth is submitting its Short Form Tariff Review Plan (TRP) and the following non-rate affecting supporting information on April 30, 2004, as specified in the Tariff Review Plan Instructions.

- Appendix A
  - Exogenous Cost Changes
  - Exogenous Cost Exhibits
    - Exhibit A-1 Exogenous Cost Change Summary
    - Exhibit A-2 Investment Tax Credit Amortization
    - Exhibit A-3 2003 TRS Fees Worksheet
    - Exhibit A-4 2004 TRS Fees Worksheet
    - Exhibit A-5 TBNP Exogenous Cost
    - Exhibit A-6 Price Cap Rate of Return Monitoring Report
- Appendix B: TRP Supporting Workpapers
  - WP CL-1 Calculation of "g" Factor
  - WP TPT-1 Development of ATS LEC-Transport MOU
  - WP IND-1 Transmittal References
- 2003 New Services Worksheet
- Current Part 69 Waivers
- Tariff Review Plan

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<sup>1</sup> In the Matter of July 1, 2004 Annual Access Charge Tariff Filings, Order in WCB/Pricing 04-18, DA 04-1049, released on April 19, 2004 ("*July 1, 2004 Annual Access Charge Tariff Filings Order*").

<sup>2</sup> In the Matter of Material to be Filed in Support of 2004 Annual Access Tariff Filings, Tariff Review Plans, DA 04-1048, released on April 19, 2004 ("*Tariff Review Plan Instructions*").

## **2.0 APPENDIX A**

### **2.1 EXOGENOUS COST CHANGES**

BellSouth has calculated its Exogenous Cost Changes pursuant to Section 61.45(d) of the Commission's Rules. The Exogenous Cost Changes included in this filing are:

1. 2003 Telecommunications Relay Services (TRS) Fees Adjustment
2. 2004 Telecommunications Relay Services (TRS) Fees Adjustment
3. Thousands Block Number Pooling Reversal

As specified in Section 61.45(d)(3), BellSouth apportioned its Exogenous Cost Changes on a cost-causative basis between price cap services and non-price cap services, as described herein. Total Exogenous Cost Changes attributed to price cap services are recovered from services other than those used to calculate the Average Traffic Sensitive (ATS) charge. Exogenous Cost Changes were calculated using 2003 base period operations where applicable. Total Exogenous Cost Changes for the BellSouth Region are \$(23,913,849). The Price Cap basket allocation of the Total Exogenous Costs Changes is \$(24,136,620) to CMT and \$222,771 to Special Access. These basket amounts are displayed on Exhibit A-1, and reported on Form EXG-1 of the Tariff Review Plan (TRP).

### **2.2 2003 TELECOMMUNICATIONS RELAY SERVICE (TRS) ADJUSTMENT**

NECA originally developed a TRS contribution factor of .00171 for the July 2003 through June 2004 tariff year to be used with the 2003 FCC Form 499A Telecommunications Reporting Worksheet. On June 30, 2003, the FCC released an approved TRS factor of .00149. BellSouth filed an adjustment on September 16, 2003 (Transmittal No. 739) to reflect this change in factor. Then on February 24, 2004, the FCC retroactively changed the TRS factor for the July 2003 through June 2004 tariff period to .0022<sup>3</sup>. BellSouth's revised annual 2003 TRS Exogenous Cost Adjustment amount of \$1,317,191 was developed by taking the difference between the revised price cap service allocation of BellSouth's 2003 TRS Fund and the price cap service

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<sup>3</sup> In the Matter of Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Payment Formula and Fund Size Estimate, Interstate Telecommunications Relay Services (TRS) Fund for July 2003 through June 2004, CC Docket 98-67, FCC Order released on February 24, 2004.

allocation of BellSouth's 2002 TRS Fund, and then deducting the 2003 TRS Exogenous Cost Change filed in Transmittal No. 739. The calculation of the TRS Exogenous Cost Adjustment amount is displayed on Exhibit A-3. BellSouth distributed the price cap portion of the 2003 TRS Adjustment to the baskets containing end user revenue based on the percentage of end user revenue for price cap services, as displayed on Exhibit A-3, Line 11 through Line 18. The 2003 TRS Exogenous Cost Change Adjustment is reported on TRP Form EXG-1, Page 2, Column L. This adjustment will be reversed in the 2005 Annual Tariff filing.

### **2.3 2004 TELECOMMUNICATIONS RELAY SERVICE (TRS) ADJUSTMENT**

On February 24, 2004, the FCC released a TRS factor of .0022 for the July 2003 through June 2004 tariff period. This is the latest TRS factor approved at this time, and is used for the 2004

TRS Adjustment, along with the 2004 FCC Form 499A Telecommunications Reporting Worksheet. BellSouth's 2004 TRS Exogenous Cost Adjustment amount of \$1,170,196 was developed by taking the difference between the price cap service allocation of BellSouth's 2004 TRS Fund and the price cap service allocation of BellSouth's 2003 TRS Fund from BellSouth's Transmittal No. 739. The calculation of the TRS Exogenous Cost Adjustment amount is displayed on Exhibit A-4. BellSouth distributed the price cap portion of the 2004 TRS Adjustment to the baskets containing end user revenue based on the percentage of end user revenue for price cap services, as displayed on Exhibit A-4, Line 8 through Line 15. The 2004 TRS Exogenous Cost Change Adjustment is reported on TRP Form EXG-1, Page 1, Column H.

### **2.4 THOUSANDS BLOCK NUMBER POOLING REVERSAL**

On April 26, 2002, BellSouth filed Transmittal No. 629 to recover the specific costs associated with the implementation of Thousands Block Number Pooling (TBNP) over a two-year period. The FCC released an Order on Reconsideration on June 7, 2002 that reconsidered the suspension and investigation of the tariff filing as set by the FCC on May 10, 2002. BellSouth subsequently filed Transmittal No. 645 on June 7, 2002 in order to allow the revised TBNP rates to become effective on July 2, 2002. In the instant filing, BellSouth is removing the exogenous cost associated with the implementation of TBNP. This is accomplished by applying the rate difference to the actual demand corresponding to the appropriate rate elements for which the TBNP rate increases applied to over the two-year period from July 2, 2002 through June 30,

2004. The calculations and the resulting exogenous cost removal amount of \$(26,401,236) are shown in Exhibit A-5 and on TRP Form EXG-1, Page 2, Column K.

## **2.5 SUPPORTING DOCUMENTATION**

Exhibit A-2 shows the second year of a five-year amortization of BellSouth's ITC balance, which for the tariff year July 2004 through June 2005, is zero. Exhibit A-6, provides the initial BellSouth FCC 492A Report for calendar year 2003 and the final BellSouth FCC 492A Report for calendar year 2002.

## **3.0 APPENDIX B – TRP SUPPORTING WORKPAPERS**

Appendix B contains Workpapers CL-1, calculation of the "g" factor, TPT-1, development of ATS LEC-Transport minutes of use, and IND-1, which contains transmittal references of existing price cap indices. Workpaper CL-1 calculates the growth in MOU per line for BellSouth by determining the 2003 MOU per line and comparing to the 2002 MOU per line. Workpaper TPT-1 develops the pricing flexibility LEC-Transport MOU necessary to calculate the Average Traffic Sensitive rate. The minutes of use are derived from LEC only interconnection minutes of use and meet-point billed minutes of use. These minutes of use are then adjusted for pricing flexibility. Workpaper IND-1 simply provides a transmittal number reference of existing price cap indices.

**EXOGENOUS COST CHANGE SUMMARY**  
**2004 Price Cap Revisions**

EXOGENOUS COST CHANGES	PRICE CAP SERVICES						
	Total CMT	Traffic Sensitive			Special Access Undesignated	Total Interexchange	Price Cap Services Total
		Database	BNA	Total			
Investment Tax Credit Amortization	0	-	-	0	0	0	0
Telecommunications Relay Service (TRS) - 2003	1,208,503	-	-	0	108,688	0	1,317,191
Telecommunications Relay Service (TRS) - 2004	1,056,113	-	-	0	114,083	0	1,170,196
Thousands Block Number Pooling Reversal	(26,401,236)	-	-	0	-	-	(26,401,236)
<b>TOTAL EXOGENOUS COST CHANGES</b>	<b>(24,136,620)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>222,771</b>	<b>0</b>	<b>(23,913,849)</b>

**INVESTMENT TAX CREDIT (ITC) AMORTIZATION**

**This is the second year of a five-year amortization of BellSouth's remaining ITC balance.**

<b><u>Table 1: Total Company, Interstate and Price Cap ITC</u></b>	(A) <b><u>2003</u></b>	(B) <b><u>7/03 - 6/04</u></b>	(C) (See Note) <b><u>7/03 - 6/04</u></b>	(D)= (C) - (B) <b><u>Difference</u></b>
1 Total Company ITC	29,673,144	29,673,144	29,673,144	0
2 Interstate ITC	7,935,788	7,935,788	7,935,788	0
3 Excluded Services Difference				-
4 Price Cap Services Difference				-
5 Price Cap ITC Exogenous Change Total				-

<b><u>Table 2: Price Cap Services Allocation</u></b>	(E) <b><u>2004 Filing 'R'</u></b>	(F) <b><u>'R' % of Total</u></b>	(G) = (F) x Line 5 <b><u>Exogenous Cost Change</u></b>
6 Common Line	1,754,683,483	77.68%	-
7 Traffic Sensitive - BNA	250,664	0.01%	-
8 Traffic Sensitive - Database	33,696,419	1.49%	-
9 Special Access	468,810,040	20.76%	-
10 Interexchange	<u>1,310,613</u>	<u>0.06%</u>	-
11 Total	2,258,751,219	100.00%	-

Note: Beginning with 2002, BellSouth is amortizing the remaining unamortized balance of Total Company ITC equally over a five year period.

As a result of this change, the estimated exogenous cost amounts for the next five tariff periods will be as follows:

07/03-06/04	\$ (3,007,722)
07/04-06/05	0
07/05-06/06	0
07/06-06/07	\$3,433,301
07/07-06/08	\$3,433,301

**2003 TELECOMMUNICATIONS RELAY SERVICES (TRS) FEES WORKSHEET**

<u>Price Cap TRS Fund Calculation</u>	<u>Source</u>	<u>Amount</u>
1) 2003 TRS Contribution Base	2003 FCC 499A: L420(d) + L420(e)+L412(e)-L511(b)	2,520,077,978
2) 2003 Excluded Services	2003 FCC 499A: L413(d) + L414(d) + L415(d) + L417(d) + Other (See Note 1)	664,878,664
3) 2003 Price Cap Services	(L1-L2)	1,855,199,314
4) 2003 Contribution Rate	2003 FCC Order, CC 98-67, released on February 24, 2004	0.0022
5) 2003 TRS Fund: Price Cap Only	(L3 x L4)	4,081,438
6) 2002 TRS Fund: Price Cap Only	BellSouth Transmittal No. 647, Appendix A, Exhibit A-4	1,701,356
 <u>Exogenous Cost Change Calculation</u>		
7) 2003 TRS Price Cap Exogenous Cost Change	(L5 - L6)	2,380,082
8) 2003 TRS Exogenous Cost filed in TR No. 739	BellSouth Transmittal No. 739, Appendix A, Exhibit A-3	1,062,891
9) 2003 TRS Exogenous Cost Annual Adjustment	(L7- L8 )	1,317,191
 <u>Distribution to Price Cap Services</u>		
11) Interstate Common Line Revenue	2003 FCC 499A, L405(d)	1,614,997,526
12) Interstate Special Access Revenue	2003 FCC 499A, L406(d) (See Note 2)	145,246,329
13) Interstate Common Line & Special Access Revenue	(L11 + L12)	1,760,243,855
14) Interstate Common Line %	(L11/ L13)	91.75%
15) Interstate Special Access %	(L12 / L13)	8.25%
16) Price Cap Common Line Exogenous Cost Change	(L10 x L14)	1,208,503
17) Price Cap Special Access Exogenous Cost Change	(L10 x L15)	108,688
18) Total Price Cap Exogenous Cost Change	(L16 + L17)	1,317,191

Note 1: Includes End User Special Access Revenues subject to Phase 2 Pricing Flexibility relief.

Note 2: Excludes End User Special Access Revenues subject to Phase 2 Pricing Flexibility relief.

**2004 TELECOMMUNICATIONS RELAY SERVICES (TRS) FEES WORKSHEET**

<u>Price Cap TRS Fund Calculation</u>	<u>Source</u>	<u>Amount</u>
1) 2004 TRS Contribution Base	2004 FCC 499A: L423(d) + L423(e)+L412(e)-L511(b)	2,566,235,757
2) 2004 Excluded Services	2004 FCC 499A: L413(d) + L414(d) + L415(d) + L417(d) + Other (See Note 1)	777,852,707
3) 2004 Price Cap Services	(L1-L2)	1,788,383,050
4) 2004 Contribution Rate	2003 FCC Order, CC 98-67, released on February 24, 2004	0.0022
5) 2004 TRS Fund: Price Cap Only	(L3 x L4)	3,934,443
6) 2003 TRS Fund: Price Cap Only	BellSouth Transmittal No. 739, Appendix A, Exhibit A-3	2,764,247
 <u>Exogenous Cost Change Calculation</u>		
7) 2004 TRS Price Cap Exogenous Cost Change	(L5 - L6)	1,170,196
 <u>Distribution to Price Cap Services</u>		
8) Interstate Common Line Revenue	2004 FCC 499A, L405(d)	1,559,776,904
9) Interstate Special Access Revenue	2004 FCC 499A, L406(d) (See Note 2)	168,487,820
10) Interstate Common Line & Special Access Revenue	(L8 + L9)	1,728,264,724
11) Interstate Common Line %	(L8/ L10)	90.25%
12) Interstate Special Access %	(L9 / L10)	9.75%
13) Price Cap Common Line Exogenous Cost Change	(L7 x L11)	1,056,113
14) Price Cap Special Access Exogenous Cost Change	(L7 x L12)	114,083
15) Total Price Cap Exogenous Cost Change	(L13 + L14)	1,170,196

Note 1: Includes End User Special Access Revenues subject to Phase 2 Pricing Flexibility relief.

Note 2: Excludes End User Special Access Revenues subject to Phase 2 Pricing Flexibility relief.

**4/30/04 Price Cap Filing**  
**Thousand Block Number Pooling Exogenous Cost**

	<b>7/2/2002 - 6/30/2003</b> <b>Thousand Block</b> <b>Number Pooling</b> <b>Exogenous Cost</b> <b>(A)</b>	<b>Total</b> <b>2001</b> <b>Access Lines</b> <b>CAP-1 Row 130</b> <b>(B)</b>	<b>Total</b> <b>2003</b> <b>Access Lines</b> <b>CAP-1 Row 130</b> <b>(C)</b>	<b>7/1/2004-6/30/2005</b> <b>Thousand Block</b> <b>Number Pooling</b> <b>Exogenous Cost</b> <b>(D)=A-(A/B*C)</b>	<b>7/1/2004-6/30/2005</b> <b>Thousand Block</b> <b>Number Pooling</b> <b>Exogenous Cost</b> <b>(E)=Rate Elem Change</b>	<b>Difference</b> <b>(F)=E-D</b>
Bellsouth	32,119,050	284,532,612	246,033,599	(27,773,145)	(26,401,236)	1,371,909

**4/30/04 Price Cap Filing  
Thousand Block Number Pooling Exogenous Cost**

	7/2002 Rates without TBNP <u>Exogenous Adj.</u> (A)	7/2002 Rates with TBNP <u>Exogenous Adj.</u> (B)	Difference (C)=B-A	2001 Filed <u>Usage</u> (D)	7/1/2002 TBNP Exog <u>Cost Adj.</u> (E)=C*D	2002 Filed <u>Usage</u> (F)	7/1/2003 TBNP Exog <u>Cost Adj.</u> (G)=C*F
<b>BellSouth</b>							
<u>End User Subscriber Line Charge (SLC)</u>							
Residence Primary & Single Line Business & Lifeline	\$ 6.00	\$ 6.00	\$ -	180,233,616	\$ -	173,130,537	\$ -
Residence Non Primary & ISDN BRI	\$ 6.95	\$ 7.00	\$ 0.05	29,992,520	\$ 1,499,626	26,566,902	\$ (1,328,345)
MultiLine Business & Centrex & ISDN PRI	\$ 7.84	\$ 7.84	\$ -	74,306,476	\$ -	67,131,216	\$ -
<u>Prescribed Interexchange Carrier Charge (PICC)</u>							
MultiLine Business & ISDN PRI	\$ 0.27	\$ 0.74	\$ 0.47	63,297,293	\$ 29,798,642	54,917,888	\$ (25,853,846)
Payphone	\$ 0.27	\$ 0.74	\$ 0.47	-	\$ -	2,049,851	\$ (963,430)
Business Centrex Lines in groups with 9 or more lines	\$ 0.03	\$ 0.08	\$ 0.05	16,059,385	\$ 802,969	15,729,554	\$ (786,478)
Business Centrex Lines in groups with 1 lines	\$ 0.27	\$ 0.74	\$ 0.47	484	\$ 228	474	\$ (223)
Business Centrex Lines in groups with 2 lines	\$ 0.14	\$ 0.37	\$ 0.24	7,054	\$ 1,658	6,909	\$ (1,624)
Business Centrex Lines in groups with 3 lines	\$ 0.09	\$ 0.25	\$ 0.16	7,711	\$ 1,208	7,553	\$ (1,183)
Business Centrex Lines in groups with 4 lines	\$ 0.07	\$ 0.19	\$ 0.12	17,521	\$ 2,059	17,161	\$ (2,016)
Business Centrex Lines in groups with 5 lines	\$ 0.05	\$ 0.15	\$ 0.09	26,050	\$ 2,449	25,515	\$ (2,398)
Business Centrex Lines in groups with 6 lines	\$ 0.05	\$ 0.12	\$ 0.08	50,695	\$ 3,971	49,653	\$ (3,890)
Business Centrex Lines in groups with 7 lines	\$ 0.04	\$ 0.11	\$ 0.07	46,314	\$ 3,110	45,363	\$ (3,046)
Business Centrex Lines in groups with 8 lines	\$ 0.03	\$ 0.09	\$ 0.06	53,300	\$ 3,131	52,205	\$ (3,067)
<u>Carrier Common Line</u>							
CCL PREM - ORIGINATING	-	-	-	27,844,570,471	\$ -	23,474,562,114	\$ -
CCL PREM - TERMINATING	-	-	-	57,012,877,895	\$ -	55,742,248,458	\$ -
CCL NPREM - ORIGINATING	-	-	-	455	\$ -	-	\$ -
CCL NPREM - TERMINATING	-	-	-	-	\$ -	-	\$ -
					\$ 32,119,050		\$ (28,949,546)

**4/30/04 Price Cap Filing  
Thousand Block Number Pooling Exogenous Cost**

	10/2003 Rates with TBNP <u>Exogenous Adj.</u> (H)	2002 Usage times 10/2003 Rates <u>with TBNP</u> (I)=F*H	10/2003 Rates without TBNP <u>Exogenous Adj.</u> (J)	2002 Usage times 10/2003 Rates <u>without TBNP</u> (K)=F*J	<u>Difference</u> (L)=J-H	2003 Filed <u>Usage</u> (M)	7/1/2004 TBNP Exog <u>Cost Adj.</u> (N)=L*M
<b>BellSouth</b>							
<u>End User Subscriber Line Charge (SLC)</u>							
Residence Primary & Single Line Business & Lifeline	\$ 6.50	\$ 1,125,348,491	\$ 6.50	\$ 1,125,348,491	\$ -	161,377,524	\$ -
Residence Non Primary & ISDN BRI	\$ 7.00	\$ 185,968,314	\$ 6.78	\$ 180,234,486	\$ (0.22)	22,115,647	\$ (4,773,131)
MultiLine Business & Centrex & ISDN PRI	\$ 7.13	\$ 478,645,570	\$ 6.78	\$ 455,429,852	\$ (0.35)	62,540,428	\$ (21,628,105)
<u>Prescribed Interexchange Carrier Charge (PICC)</u>							
MultiLine Business & ISDN PRI	\$ -	\$ -	\$ -	\$ -	\$ -	52,197,121	\$ -
Payphone	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
Business Centrex Lines in groups with 9 or more lines	\$ -	\$ -	\$ -	\$ -	\$ -	15,659,393	\$ -
Business Centrex Lines in groups with 1 lines	\$ -	\$ -	\$ -	\$ -	\$ -	472	\$ -
Business Centrex Lines in groups with 2 lines	\$ -	\$ -	\$ -	\$ -	\$ -	6,879	\$ -
Business Centrex Lines in groups with 3 lines	\$ -	\$ -	\$ -	\$ -	\$ -	7,519	\$ -
Business Centrex Lines in groups with 4 lines	\$ -	\$ -	\$ -	\$ -	\$ -	17,084	\$ -
Business Centrex Lines in groups with 5 lines	\$ -	\$ -	\$ -	\$ -	\$ -	25,402	\$ -
Business Centrex Lines in groups with 6 lines	\$ -	\$ -	\$ -	\$ -	\$ -	49,432	\$ -
Business Centrex Lines in groups with 7 lines	\$ -	\$ -	\$ -	\$ -	\$ -	45,161	\$ -
Business Centrex Lines in groups with 8 lines	\$ -	\$ -	\$ -	\$ -	\$ -	51,972	\$ -
<u>Carrier Common Line</u>							
CCL PREM - ORIGINATING	-	\$ -	\$ -	\$ -	\$ -	19,690,551,691	\$ -
CCL PREM - TERMINATING	-	\$ -	\$ -	\$ -	\$ -	60,348,406,980	\$ -
CCL NPREM - ORIGINATING	-	\$ -	\$ -	\$ -	\$ -	-	\$ -
CCL NPREM - TERMINATING	-	\$ -	\$ -	\$ -	\$ -	-	\$ -
	<u>Pooling</u>	\$ 1,789,962,375		\$ 1,761,012,829			\$ (26,401,236)
	\$ -	\$ 1,761,012,829					

FEDERAL COMMUNICATIONS COMMISSION  
Washington D.C. 20554

See reverse side for information  
regarding public burden estimate.

Approved By OMB  
3060-0355  
Expires 07/31/2004

1. Name and Address of Reporting Company

BellSouth Telecommunications, Inc.  
875 W Peachtree Street NE  
Atlanta, Georgia 30376

2. Reporting Calendar Year

(A) From: January 1, 2002 To: December 31, 2002

(B) Revised First Report Filed: November 14, 2003

(C) Final Report Filed: April 6, 2004

FCC 492A

PRICE-CAP REGULATION  
RATE-OF-RETURN MONITORING REPORT  
(Read Instructions on the Reverse Before Completing)  
Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
1 Total Revenues	2,755,189	2,755,189	0
2 Total Expenses and Taxes	1,845,283	1,845,283	0
3 Operating Income(Net Return)(Ln1-Ln2)	1,109,906	1,109,906	0
4 Rate Base (Avg. Net Investment)	5,738,983	5,738,983	0
5 Rate of Return (Ln3/Ln4)	19.35%	19.35%	0
6 Sharing/Low End Adjustment Amount	NA	NA	NA
7 FCC Ordered Refund - Amortized for Current Period	NA	NA	NA

REMARKS

See attached footnotes page.

CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Signature
04/08/04	Guy L Cochran	Chief Financial Officer	<i>Guy R. Cochran</i>
	Telephone No. 404-927-7154		

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 101.

FCC 492A  
September 2001

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1. Name and Address of Reporting Company

BellSouth Telecommunications, Inc.  
676 W Peachtree Street NE  
Atlanta, Georgia 30375

2. Reporting Calendar Year

(A) From: January 1, 2002 To: December 31, 2002

(B) Revised First Report Filed: November 14, 2003

(C) Final Report Filed: April 8, 2004

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FCC 482A

PRICE-CAP REGULATION  
RATE-OF-RETURN MONITORING REPORT

FOOTNOTES / REMARKS PAGE

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**Excluded Services**

In order to remove excluded services from Price Cap regulation in accordance with the FCC Price Cap plan, data in this report has been adjusted for the removal of excluded service offerings amounting to \$11,696. Earnings associated with these services have been removed at the same rate as total interstate services.

A tariff was filed to remove interexchange toll revenue from Price Caps in December 1998. For purposes of this report, interexchange toll revenue amounting to \$3,511 for the year 2002 is no longer part of price cap regulation.

On December 15, 2000 and November 22, 2002, the FCC granted BellSouth pricing flexibility relief for Special Access and Dedicated Transport services in certain MSAs, including the removal of these services from Price Cap regulation. Accordingly, this report is adjusted to remove annual revenues associated with the services for which relief was granted amounting to \$1,082,392.

In accordance with the CALLS Order released on May 31, 2000, BellSouth removed all federal Universal Service Fund (USF) contribution recovery from Price Cap regulation effective July 2000 and established new end user charges outside of Price Caps to recover these contributions. The revenue associated with these charges amounted to \$133,415 for the year 2002.

**Tax Rates:**

The following tax rates and gross-up factors are provided per the TRP Order released by the FCC on March 26, 1998:

FIT Rate: .36 FIT G/U Factor: .5385 SIT Rate: .0567 SIT G/U Factor: .0001

The SIT rate is a composite rate for the states served by BellSouth Telecommunications, Inc.

No changes have been made to the 2002 ARMIS 43-01 since Submission 2 was filed on September 15, 2003.

FEDERAL COMMUNICATIONS COMMISSION  
Washington D.C. 20554

See reverse side for information  
regarding public burden estimate.

Approved By OMB  
3060-0366  
Expires 07/31/2004

1. Name and Address of Reporting Company  
BellSouth Telecommunications, Inc.  
675 W Peachtree Street NE  
Atlanta, Georgia 30375

2. Reporting Calendar Year  
(A) From: January 1, 2003 To: December 31, 2003  
(B) First Report Filed: April 6, 2004  
(C) Final Report Filed:

FCC 492A

PRICE-CAP REGULATION  
RATE-OF-RETURN MONITORING REPORT  
(Read Instructions on the Reverse Before Completing)  
Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
1 Total Revenues	2,788,494		
2 Total Expenses and Taxes	1,804,378		
3 Operating Income(Net Return)(Ln1-Ln2)	1,164,118		
4 Rate Base (Avg. Net Investment)	5,307,515		
5 Rate of Return (Ln3/Ln4)	21.93%		
6 Sharing/Low End Adjustment Amount	NA		
7 FCC Ordered Refund - Amortized for Current Period	NA		

REMARKS

See attached footnotes page.

CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date 04/08/04	Typed Name of Person Signing Guy L Cochran	Title of Person Signing Chief Financial Officer	Signature <i>Guy L. Cochran</i>
Telephone No. 404-927-7154			

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

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1. Name and Address of Reporting Company

BellSouth Telecommunications, Inc.  
675 W Peachtree Street NE  
Atlanta, Georgia 30375

2. Reporting Calendar Year

(A) From: January 1, 2003 To: December 31, 2003

(B) First Report Filed: April 6, 2004

(C) Final Report Filed:

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RATE-OF-RETURN MONITORING REPORT

FOOTNOTES / REMARKS PAGE

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**Excluded Services**

In order to remove excluded services from Price Cap regulation in accordance with the FCC Price Cap plan, data in this report has been adjusted for the removal of excluded service offerings amounting to \$10,900. Earnings associated with these services have been removed at the same rate as total interstate services.

A tariff was filed to remove interexchange toll revenue from Price Caps in December 1999. For purposes of this report, interexchange toll revenue amounting to \$3,516 for the year 2003 is no longer part of price cap regulation.

On December 15, 2000 and November 22, 2002, the FCC granted BellSouth pricing flexibility relief for Special Access and Dedicated Transport services in certain MSAs, including the removal of these services from Price Cap regulation. Accordingly, this report is adjusted to remove annual revenues associated with the services for which relief was granted amounting to \$1,788,843.

In accordance with the CALLS Order released on May 31, 2000, BellSouth removed all federal Universal Service Fund (USF) contribution recovery from Price Cap regulation effective July 2000 and established new end user charges outside of Price Caps to recover these contributions. The revenue associated with these charges amounted to \$188,041 for the year 2003.

**Tax Rates:**

The following tax rates and gross-up factors are provided per the TRP Order released by the FCC on March 25, 1998:

FIT Rate: .35 FIT GAU Factor: .5385 SIT Rate: .0587 SIT GAU Factor: .0801

The SIT rate is a composite rate for the states served by BellSouth Telecommunications, Inc.

## Short Form Annual Filing

APPENDIX B  
WORKPAPER CL-1CALCULATION OF g (GROWTH IN MOU PER LINE)

<u>LINE NUMBER</u>	<u>DESCRIPTION</u>	<u>SOURCE</u>	<u>YEAR(t) AMOUNT</u> (A)
1.	MINUTES (t-1)	2002 DEMAND	79,216,810,572
2.	END USER LINES (t-1)	2002 DEMAND	266,828,655
3.	MINUTES PER LINE (t-1)	L1/L2	296.88
4.	MINUTES (t)	2003 DEMAND	80,038,958,671
5.	END USER LINES (t)	2003 DEMAND	246,033,599
6.	MINUTES PER LINE (t)	L4/L5	325.32
7.	g - GROWTH IN MINUTES PER LINE	$[(L6/L3)-1]*100$	9.5796%

Note: This workpaper displays the calculation of g (growth in MOU per line) for 2003 over 2002.

**Short Form Annual Filing**APPENDIX B  
WORKPAPER TPT-1**Development of ATS LEC-Transport MOU**

	<b>Meet-Point Billed MOU</b>	<b>Source</b>	<b>Subtotal</b>	<b>Amount</b>
1	Access Tandem MOU to ICO EOs	CABS BDT Analysis		2,380,941,903
2	CLEC MOU	CABS BDT Analysis		1,145,291,849
3	ICO Dedicated MOU	CABS BDT Analysis		7,393,005,244
4	Total LEC-Transport MPB MOU	(r1 + r4 + r5) * r6		10,919,238,996
	<b>TIC MOU</b>			
5	Transport Provided TIC MOU	2003 Annual Filing		78,902,865,459
	<b>BellSouth LEC-Transport MOU</b>			
6	Total LEC-Transport MOU	r7 + r8		89,822,104,454
	<b>Pricing Flexibility Adjustment</b>			
7	Direct-Routed MOU at End Offices Meeting the Pricing Flexibility Phase 2 Trigger	CABS Statistical Usage Records		40,363,836,447
8	Base Period Transport Billed Revenue	CABS BDT	207,679,958	
9	Base Period Transport IOC Revenue For Facilities Where EO Gets Pricing Flex Relief But POP SWC Does Not	CABS BDT	1,469,359	
10	Cross-MSA Adjustment Percentage for Direct-Routed MOU	r11/r10	0.71%	
11	Pricing Flexibility LEC-Transport MOU Adjustment	r9 * (1-r12)		40,078,257,724
	<b>BellSouth Pricing Flexibility LEC-Transport MOU</b>			
12	Pricing Flexibility LEC-Transport MOU	r8 - r13		49,743,846,731

	EXISTING PCI (A)	EXISTING API (B)	EXISTING SBI (C)	EXISTING SBI LIMIT (D)	6/30/2004 PCI (E)	6/30/2004 SBI (F)
<b>Common Line Basket</b>						
Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
<b>Traffic Sensitive Basket</b>						
Local Switching	N/A	N/A	694	694	N/A	694
Information	N/A	N/A	647	647	N/A	647
Database Access	N/A	N/A	724	724	N/A	724
800 DB VertSvcs Sub-Cat	N/A	N/A	647	724	N/A	647
Billing Name and Address	N/A	N/A	647	647	N/A	647
Local Switching Trunk Ports	N/A	N/A	647	647	N/A	647
STP Port Terminations	N/A	N/A	647	647	N/A	647
Total Traffic Sensitive	724	724	N/A	N/A	724	N/A
<b>Trunking Basket</b>						
Interconnection Charge	N/A	N/A	N/A	N/A	N/A	N/A
Tandem Switched Transport	N/A	N/A	683	683	N/A	683
TST Density Zone 1	N/A	N/A	647	647	N/A	647
TST Density Zone 2	N/A	N/A	647	647	N/A	647
TST Density Zone 3	N/A	N/A	647	647	N/A	647
TST Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
TST Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
TST Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
TST Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
VoiceGrade/WATS - Switched	N/A	N/A	647	647	N/A	647
VG DTT/EF Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
VG DTT/EF Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
VG DTT/EF Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
VG DTT/EF Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
VG DTT/EF Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
VG DTT/EF Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
VG DTT/EF Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
High Cap & DDS - Switched	N/A	N/A	803	803	N/A	803
DS-1 SubCat - Switched	N/A	N/A	770	770	N/A	770
DS1 DTT Density Zone 1	N/A	N/A	770	770	N/A	770
DS1 DTT Density Zone 2	N/A	N/A	770	770	N/A	770
DS1 DTT Density Zone 3	N/A	N/A	770	770	N/A	770
DS1 DTT Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
DS1 DTT Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
DS1 DTT Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
DS1 DTT Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
DS-3 SubCat - Switched	N/A	N/A	647	647	N/A	647
DS3 DTT Density Zone 1	N/A	N/A	647	647	N/A	647
DS3 DTT Density Zone 2	N/A	N/A	647	647	N/A	647
DS3 DTT Density Zone 3	N/A	N/A	647	647	N/A	647
DS3 DTT Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
DS3 DTT Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
DS3 DTT Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
DS3 DTT Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sw Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
Signalling Interconnection	N/A	N/A	N/A	N/A	N/A	N/A
SigIntCon Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
SigIntCon Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
SigIntCon Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
SigIntCon Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
SigIntCon Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
SigIntCon Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A

2004 Annual Filing

IND-1 TRANSMITTAL REFERENCES

SigIntCon Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
Total Trunking	647	770	N/A	N/A	647	N/A
<b>Interexchange Basket</b>						
Total Interexchange	724	724	N/A	N/A	724	N/A
<b>Special Access Basket</b>						
VG/WATS, Met, Tgh - Special	N/A	N/A	770	770	N/A	770
VG Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
VG Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
VG Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
VG Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
VG Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
VG Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
VG Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
Audio & Video	N/A	N/A	724	739	N/A	724
Audio/Video Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
Audio/Video Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
Audio/Video Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
Audio/Video Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
Audio/Video Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
Audio/Video Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
Audio/Video Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
High Cap & DDS - Special	N/A	N/A	803	739	N/A	739
DS-1 SubCat - Special	N/A	N/A	803	739	N/A	739
DS1 Spec Density Zone 1	N/A	N/A	803	739	N/A	739
DS1 Spec Density Zone 2	N/A	N/A	803	739	N/A	739
DS1 Spec Density Zone 3	N/A	N/A	803	739	N/A	739
DS1 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
DS1 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
DS1 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
DS1 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
DS-3 SubCat - Special	N/A	N/A	803	739	N/A	739
DS3 Spec Density Zone 1	N/A	N/A	803	739	N/A	739
DS3 Spec Density Zone 2	N/A	N/A	724	739	N/A	739
DS3 Spec Density Zone 3	N/A	N/A	724	739	N/A	739
DS3 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
DS3 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
DS3 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
DS3 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
DDS&Other Sp Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
Wideband	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
WB Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
Total Special Access	739	803	N/A	N/A	739	N/A

## 2003 NEW SERVICES

**BellSouth ADSL Service:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**BellSouth Session Based DSL Service:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**Web Access to FlexServ Management Terminal Interface:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**FlexServ SMARTRing Channel Connections:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**FlexServ STS-1 Channel Connection:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**FlexServ DS1 and DS3 Channel Connections for Surveillance Only:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**OC-192 level of service for BellSouth Dedicated Ring and SMARTRing:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**Interface Arrangements for BellSouth Dedicated Ring and SMARTRing:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**1000 Mbps interface for LightGate and SMARTRing:** All rate elements assigned to Special Access Basket, HiCAP/DDS Services Band.

**Frame Relay Services (XAFRS & MSFRS) Intelligent PVC:** All rate elements assigned to the Trunking Basket, HiCAP/DDS Services Band.

**ATM Services (XAATMS & MSATMS) Flat Rate VBR PVC:** All rate elements assigned to the Trunking Basket, HiCAP/DDS Services Band.

**Frame Relay Services (XAFRS & MSFRS) MultiLink Service:** All rate elements assigned to the Trunking Basket, HiCAP/DDS Services Band.

**ATM Services (XAATMS & MSATMS) Circuit Emulation:** All rate elements assigned to the Trunking Basket, HiCAP/DDS Services Band.

**Frame Relay (XAFRS & MSFRS) and ATM (XAATMS & MSATMS) Services Special Provisioning:** All rate elements assigned to the Trunking Basket, HiCAP/DDS Services Band.

## **Current Part 69 Waivers**

There are no Part 69 Waivers.