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Jennette C. Fields
Tariff Administrator

June 21, 2004

Transmittal No. 828-Amended

Secretary
Federal Communications Commission
Washington, D.C. 20554

Attention: Wireline Competition Bureau

The accompanying tariff material, issued by BellSouth Telecommunications, Inc. (hereinafter BellSouth) and bearing Tariff F.C.C. No. 1, is sent to you for publication in compliance with Section 61.49 of the Commission's rules and the requirements of the Communications Act of 1934, as amended.

With this filing, BellSouth is amending Transmittal No. 828 to include Appendix A exogenous cost supporting justification. This material was inadvertently omitted when Transmittal No. 828 was originally filed on June 16, 2004.

Payment in the amount of \$695.00 has been electronically transmitted to the Mellon Bank in Pittsburgh, Pennsylvania, in accordance with the fee program procedures. The Form 159 is being transmitted electronically via Fee Filer as a proprietary document under FRN: 0007-1713-58.

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.

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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

Attachment

Supporting Documentation

EXOGENOUS COST CHANGES

OVERVIEW

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 \$(21,481,648). The Price Cap basket allocation of the Total Exogenous Costs Changes is \$(21,941,534) to CMT and \$459,886 to Special Access. These basket amounts are displayed on Exhibit A-1, and reported on Form EXG-1 of the Tariff Review Plan (TRP).

1. 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. An adjustment was filed by BellSouth 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 .0022¹. 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 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. 2004 TELECOMMUNICATIONS RELAY SERVICE (TRS) ADJUSTMENT

The National Exchange Carrier Association (NECA) submitted the Telecommunications Relay Services (TRS) provider payment formulas and fund size estimate for the period July 2004

¹ 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.

through June 2005, in accordance with Section 64.604 of the FCC rules, on May 3, 2004, and this estimate was released in a Public Notice on May 4, 2004.² NECA developed a TRS contribution factor of .00356 for the July 2004 through June 2005 tariff year to be used with the 2004 FCC Form 499A Telecommunications Reporting Worksheet. BellSouth's 2004 TRS Exogenous Cost Adjustment amount of \$3,602,397 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.

3. 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

² 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 2004 through June 2005, CC Docket 98-67, Public Notice released on May 4, 2004.

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.

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.