

BELLSOUTH TELECOMMUNICATIONS, INC.

DESCRIPTION AND JUSTIFICATION

BELLSOUTH FAST PACKET SAVINGS PLAN

TRANSMITTAL NO. 880

1.0 INTRODUCTION

With this filing, BellSouth Telecommunications, Inc. (hereinafter "BellSouth") is revising Section 2 of Tariff F.C.C. No. 1 to make a miscellaneous terms and conditions change to the BellSouth Fast Packet Savings Plan (FSP) and introduce a promotion for the BellSouth FSP.

Transmittal No. 880 is scheduled to become effective on April 1, 2005.

2.0 TERMS AND CONDITIONS CHANGES TO FSP

The existing BellSouth Fast Packet Savings Plan (FSP) in Section 2.4.8(F) allows customers to receive credits applied to their bill in exchange for making a commitment to maintain a minimum level of total Fast Packet Services monthly recurring billing for a specified period of time. The minimum level of monthly recurring billing upon which the commitment level is established is based upon specific services listed in the FSP tariff. A portion of the customers' recurring billing for certain BellSouth Transport Services is allowed to count as qualifying revenue towards this monthly revenue commitment; with this filing additional BellSouth Transport Services are being added to the list of qualifying services whose revenues may be counted towards the customer's commitment.

3.0 FSP PROMOTION

The BellSouth FSP contains Minimum Monthly Revenue Commitment (MMRC) levels of \$750,000, \$2,000,000, \$5,000,000 and \$10,000,000. There are currently no signed FSP Agreements with MMRC levels of \$5,000,000 or above. With this filing BellSouth is proposing a promotion of the \$5,000,000 MMRC with a 60 to 83 Month term plan to test the market for higher commitment FSP Agreements by providing incentive for customers to enter into such new agreements with less risk. For a promotional period from April 1, 2005 to April 30, 2005, new BellSouth FSP Agreements signed with a \$5,000,000 MMRC with a 60 to 83 month term plan shall be provided with special terms and conditions. These promotional FSP Agreements will allow the customer to terminate the FSP Agreement after the 36th month without any termination charges, or retain or renegotiate the FSP Agreement subject to the standard FSP tariff terms and conditions.

The anticipated demand for the promotion is expected to be incremental demand only and will not impact existing demand. For this reason, this promotion does not create any price cap headroom or effect price cap indices in any manner as shown in Appendix A Workpaper SUM-A.

Fast Packet Savings Plan PromotionAPPENDIX A
WORKPAPER SUM-A

| <u>DESCRIPTION</u> | <u>SOURCE</u> | R(t-1) | | R(t) | | (t-1) | (t) | UPPER LIMIT (G) | OUT OF LIMITS INDICATOR (H) |
|---|-----------------|--------------------------------|--------------------------------|--------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------|--------------------------------------|
| | | LAST PCI RATExDEMAND (A) | EXISTING RATExDEMAND (B) | PROPOSED RATExDEMAND (C) | LAST PCI INDEX AMOUNT (D) | EXISTING INDEX AMOUNT (E) | PROPOSED INDEX AMOUNT (F) | | |
| A. INTERCONNECTION CHARGE | Workpaper TR-1 | 0 | 0 | 0 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | OK |
| B. TANDEM SWITCHED TRANSPORT | | | | | | | | | |
| a. DENSITY ZONE 1 | Workpaper TR-1 | 20,219,438 | 20,219,438 | 20,219,438 | 77.7950 | 77.7950 | 77.7950 | 89.4643 | OK |
| b. DENSITY ZONE 2 | Workpaper TR-1 | 7,865,828 | 7,865,828 | 7,865,828 | 70.9707 | 70.9707 | 70.9707 | 81.6163 | OK |
| c. DENSITY ZONE 3 | Workpaper TR-1 | 19,230,482 | 19,230,482 | 19,230,482 | 58.7280 | 58.7280 | 58.7280 | 67.5372 | OK |
| d. NON ZONE | Workpaper TR-1 | 10,584,664 | 10,584,664 | 10,584,664 | NA | NA | NA | NA | NA |
| e. TOTAL TANDEM SWITCHED TPT | Workpaper TR-1 | 57,900,411 | 57,900,411 | 57,900,411 | 103.7122 | 103.7122 | 103.7122 | 105.7877 | OK |
| C. VOICE GRADE, WATS, METALLIC & TELEGRAPH | Workpaper TR-1 | 119,728 | 119,728 | 119,728 | 89.8204 | 89.8204 | 89.8204 | 94.3114 | OK |
| D. DIGITAL DATA, & HICAP | Workpaper TR-1 | 88,398,516 | 88,398,516 | 88,398,516 | 62.7150 | 62.7150 | 62.7150 | 65.9066 | OK |
| (1.) DS1 | | | | | | | | | |
| a. DENSITY ZONE 1 | Workpaper TR-1 | 5,896,162 | 5,896,162 | 5,896,162 | 61.2046 | 61.2046 | 61.2046 | 70.3853 | OK |
| b. DENSITY ZONE 2 | Workpaper TR-1 | 4,552,794 | 4,552,794 | 4,552,794 | 71.5431 | 71.5431 | 71.5431 | 82.2746 | OK |
| c. DENSITY ZONE 3 | Workpaper TR-1 | 42,387,624 | 42,387,624 | 42,387,624 | 75.5588 | 75.5588 | 75.5588 | 86.8926 | OK |
| d. NON ZONE | Workpaper TR-1 | 1,018,151 | 1,018,151 | 1,018,151 | NA | NA | NA | NA | NA |
| e. TOTAL DS1 | Workpaper TR-1 | 53,854,731 | 53,854,731 | 53,854,731 | 68.4357 | 68.4357 | 68.4357 | 71.8575 | OK |
| (2.) DS3 | | | | | | | | | |
| a. DENSITY ZONE 1 | Workpaper TR-1 | 1,640,884 | 1,640,884 | 1,640,884 | 59.7753 | 59.7753 | 59.7753 | 68.7416 | OK |
| b. DENSITY ZONE 2 | Workpaper TR-1 | 1,541,239 | 1,541,239 | 1,541,239 | 60.7919 | 60.7919 | 60.7919 | 69.9107 | OK |
| c. DENSITY ZONE 3 | Workpaper TR-1 | 7,341,123 | 7,341,123 | 7,341,123 | 64.1131 | 64.1131 | 64.1131 | 73.7301 | OK |
| d. NON ZONE | Workpaper TR-1 | 1,031,471 | 1,031,471 | 1,031,471 | NA | NA | NA | NA | NA |
| e. TOTAL DS3 | Workpaper TR-1 | 11,554,717 | 11,554,717 | 11,554,717 | 61.9728 | 61.9728 | 61.9728 | 65.0714 | OK |
| (3.) SIGNALLING INTERCONNECTION | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| SPECIAL ACCESS BASKET | | | | | | | | | |
| 1. PRICE CAP INDEX (PCI) | Workpaper PCI-1 | NA | NA | NA | 50.4148 | 50.4148 | 50.4148 | NA | NA |
| 2. ACTUAL PRICE INDEX (API) | Workpaper SP-1 | 458,751,315 | 458,751,315 | 458,751,315 | 49.2807 | 49.2807 | 49.2807 | 50.4148 | OK |
| 3. SERVICE BAND INDEX (SBI) | | | | | | | | | |
| A. VOICE GRADE, WATS, METALLIC & TELEGRAPH | Workpaper SP-1 | 7,554,494 | 7,554,494 | 7,554,494 | 98.5472 | 98.5472 | 98.5472 | 103.5839 | OK |

Fast Packet Savings Plan PromotionAPPENDIX A
WORKPAPER SUM-A

| DESCRIPTION | SOURCE | LAST PCI | R(t-1) | R(t) | LAST PCI | (t-1) | (t) | UPPER | OUT |
|----------------------------------|-----------------|---------------|---------------|----------------------|----------|----------|----------------|---------|-----------|
| | | RATExDEMAND | EXISTING | PROPOSED | INDEX | EXISTING | PROPOSED | | |
| | | (A) | (B) | (C) | AMOUNT | AMOUNT | AMOUNT | LIMIT | OF LIMITS |
| | | | | | (D) | (E) | (F) | (G) | INDICATOR |
| B. AUDIO PROGRAM, & VIDEO | Workpaper SP-1 | 1,736,263 | 1,736,263 | 1,736,263 | 79.5204 | 79.5204 | 79.5204 | 83.5830 | OK |
| C. WIDEBAND ANALOG, & DIGITAL | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| D. DIGITAL DATA, & HICAP | Workpaper SP-1 | 449,460,558 | 449,460,558 | 449,460,558 | 66.8987 | 66.8987 | 66.8987 | 71.8919 | OK |
| (1.) DS1 | | | | | | | | | |
| a. DENSITY ZONE 1 | Workpaper SP-1 | 16,397,715 | 16,397,715 | 16,397,715 | 58.5386 | 58.5386 | 58.5386 | 67.3883 | OK |
| b. DENSITY ZONE 2 | Workpaper SP-1 | 25,419,427 | 25,419,427 | 25,419,427 | 72.0115 | 72.0115 | 72.0115 | 82.8981 | OK |
| c. DENSITY ZONE 3 | Workpaper SP-1 | 150,496,640 | 150,496,640 | 150,496,640 | 76.8386 | 76.8386 | 76.8386 | 88.4549 | OK |
| d. NON ZONE | Workpaper SP-1 | 30,038,853 | 30,038,853 | 30,038,853 | NA | NA | NA | NA | NA |
| e. TOTAL DS1 | Workpaper SP-1 | 222,352,635 | 222,352,635 | 222,352,635 | 70.6449 | 70.6449 | 70.6449 | 74.2532 | OK |
| (2.) DS3 | | | | | | | | | |
| a. DENSITY ZONE 1 | Workpaper SP-1 | 12,854,371 | 12,854,371 | 12,854,371 | 60.5288 | 60.5288 | 60.5288 | 69.6794 | OK |
| b. DENSITY ZONE 2 | Workpaper SP-1 | 18,252,822 | 18,252,822 | 18,252,822 | 63.6591 | 63.6591 | 63.6591 | 73.2830 | OK |
| c. DENSITY ZONE 3 | Workpaper SP-1 | 42,404,365 | 42,404,365 | 42,404,365 | 64.8125 | 64.8125 | 64.8125 | 74.6107 | OK |
| d. NON ZONE | Workpaper SP-1 | 23,199,778 | 23,199,778 | 23,199,778 | NA | NA | NA | NA | NA |
| e. TOTAL DS3 | Workpaper SP-1 | 96,711,337 | 96,711,337 | 96,711,337 | 65.1722 | 65.1722 | 65.1722 | 68.5010 | OK |
| INTEREXCHANGE BASKET | | | | | | | | | |
| 1. PRICE CAP INDEX (PCI) | Workpaper PCI-1 | NA | NA | NA | 78.1501 | 78.1501 | 78.1501 | NA | NA |
| 2. ACTUAL PRICE INDEX (API) | Workpaper IX-1 | 1,292,612 | 1,292,612 | 1,292,612 | 78.1471 | 78.1471 | 78.1471 | 78.1501 | OK |
| ALL BASKETS | | | | | | | | | |
| 1. TOTAL REVENUE | | 2,582,891,485 | 2,582,891,485 | 2,582,891,485 | NA | NA | NA | NA | NA |