

BELLSOUTH TELECOMMUNICATIONS, INC.

DESCRIPTION AND JUSTIFICATION

ORDERING OPTIONS TERMS AND CONDITIONS REVISIONS

TRANSMITTAL NO. 985

1.0 INTRODUCTION

With this filing, BellSouth Telecommunications, Inc. (hereinafter "BellSouth") is revising FCC Tariff No. 1, Section 5 – Ordering Options, to modify Service Date Advancement terms and conditions. This filing also makes terms and conditions corrections to Section 5.1.1(H)(8) that were inadvertently missed in a previous transmittal (i.e., Transmittal No. 969).

This Transmittal is being filed on July 17, 2006, with a scheduled effective date of August 1, 2006.

2.0 DESCRIPTION OF FILING

When a customer submits an Access order for new subscriptions to SPA DS0, DS1 or DS3 services and receives a negotiated service interval, the customer may request that the negotiated interval be improved. BellSouth receives a limited number of these type advancement requests. To respond in today's environment, BellSouth must evaluate its network conditions, current workload and resources to determine if improvement of the negotiated interval can be achieved. If BellSouth determines the interval can be improved, the customer must indicate acceptance of the improved interval by supplementing the original Access order. Upon acceptance of the improved service interval, the customer will be billed the appropriate Service Date Advancement charges in Section 5 of FCC Tariff No. 1.

With the effective date of this filing, tariff regulations have been revised to specify that Service Date Advancement charges will no longer apply for those limited number of customer requests for reductions in the negotiated interval (to the standard interval), as described above. With a continuous focus on customer satisfaction, BellSouth has implemented operational improvements and network efficiencies that have streamlined the evaluation process for determining if negotiated intervals can be reduced for these type customer requests. Service intervals are available to customers in BellSouth's Guide to Interconnection at www.interconnection.bellsouth.com.

3.0 PRICE CAP ANALYSIS

3.1 Demand Analysis

The proposed revisions in this filing address service orders where the customer requests a due date that is equal to or greater than the standard interval and BellSouth confirms with a negotiated interval that is greater than the customer requested due date. The following assumptions were used to recast existing Service Date Advancement SPA DS3, DS1 and DS0 demand to projected advancement demand for these services.

- SPA DS3, DS1 and DS0 ordering patterns were determined based upon a six-month service order sample from January 2005 through June 2005.
- Customer service order demand will increase with the elimination of the service date advancement charge for these conditions.
- BellSouth will not be able to improve the negotiated interval for all customer requests.
- All customers will not accept improved service dates due to operational expenses to realign provisioning resources to support the improved date.

Based on the six-month sample, negotiated interval orders which represent 30.2%, 19.6%, and 19.7%, respectively, of SPA DS3, DS1, and DS0 demand will be reduced by 1% overall with the effective date of this filing.

As shown in Appendix A, Work Paper SDA-1, the demand analysis for the Service Date Advancement rate elements include the average number of days advanced per circuit. The new advancement demand is based on number of circuits and number of days advanced. The resulting advancement demand for negotiated intervals is less than the existing demand because customers will no longer be required to pay advancement charges when negotiated intervals are improved on initial orders for the specified services.

3.2 Revenue Impact

The tariff revisions proposed in this filing will result in an API revenue decrease of (\$109,200) in the Special Access Basket. Work Paper SUM-1 displays all existing and proposed price cap index values as well as revenue data for the Special Access basket demonstrating that BellSouth remains within all allowable price cap limits with this filing. Rate detail for the Service Date Advancement revisions is displayed in Appendix B, Work Paper SP-1.