CALCULATION OF 4th QTR 2006 BELLSOUTH FEDERAL UNIVERSAL SERVICE CHARGES

Line	Description of Federal USF Line Item (a)	EUCL Charge (b)	Excess Line Port Charge (c)	Total (d)=(b)+(c)	4th Qtr 2006 USF Contribution Factor (e)	Monthly Federal USF Charge (f)=(d)*(e)
1	Primary Residence Line or Trunk	$6.50	N/A	$6.50	0.091	$0.59
2	Single Line Business Line or Trunk	6.50	N/A	$6.50	0.091	0.59
3	Additional Residence Line or Trunk	6.77	N/A	$6.77	0.091	0.62
4	Basic Rate ISDN Digital Subscriber Line	6.77	$2.44	$9.21	0.091	0.84

CALCULATION OF 4th QTR 2006 BELLSOUTH FEDERAL UNIVERSAL SERVICE CHARGES

Initial USF Charge Calculations

Line	Description of Federal USF Line Item (a)	EUCL Charge (b)	Excess Line Port Charge (c)	Total (d)=(b)+(c)	4th Qtr 2006 USF Contribution Factor (e)	Initial USF Charge Calculation (f)=(d)*(e)
1	Centrex Station Line	$6.77	N/A	$6.77	0.091	$0.62
2	Multi-Line Business Line or Trunk	6.77	N/A	6.77	0.091	0.62
3	Primary Rate ISDN	33.85	14.00	47.85	0.091	4.35

Annual Centrex Equivalent Unit Calculations

Line	Description (a)	Source (b)	Amount (c)	Centrex Equivalent Factor (d)	Monthly Centrex Equivalent Units (e)=(c)*(d)	Annual Centrex Equivalent Units (f)=(e)*12
4	Total Centrex Lines: August 2006	Customer Rcds	1,011,009	1	1,011,009	12,132,108
5	Multi-Line Business Lines: August 2006	Customer Rcds	3,639,427	9	32,754,843	393,058,116
6	Primary Rate ISDN Lines (5 times equivalency)	Customer Rcds	187,599	9	1,688,391	20,260,692
7	Total	4(f)+5(f)+6(f)	N/A	N/A	N/A	425,450,916

Centrex Equivalent Rate Calculation (excluding Excess Line Port)

Line	Description	Source	Amount
8	Initial Rev Before Centrex Allocation (w/o ELP)	[1(f)*4(c)+2(f)*5(c)+3(b)*3(e)*6(c)/5]*12	$35,985,976
9	Total Centrex Equivalent Units	7(f)	425,450,916
10	Monthly Centrex Equivalent Rate	8(c) / 9(c)	$0.08

Calculation of Monthly USF Charges

Line	Description (a)	Source (b)	Monthly USF Charge (c)
11	Centrex Station Line	10(c)	$0.08
12	Multi-Line Business Line or Trunk	[8(c) / 9(c)] * 9	$0.76
13	Primary Rate ISDN	[8(c)/9(c)]*45 + 3(c)*3(e)	$5.08
14	Primary Rate ISDN Billing on 9-29-06	-	$5.05