

CALCULATION OF 1st QTR 2007 BELLSOUTH FEDERAL UNIVERSAL SERVICE CHARGES

<u>Line</u>	<u>Description of Federal USF Line Item</u> (a)	<u>EUCL Charge</u> (b)	<u>Excess Line Port Charge</u> (c)	<u>Total</u> (d)=(b)+(c)	<u>1st Qtr 2007 USF Contribution Factor</u> (e)	<u>Monthly Federal USF Charge</u> (f)=(d)*(e)
1	Primary Residence Line or Trunk	\$6.50	N/A	\$6.50	0.097	\$0.63
2	Single Line Business Line or Trunk	6.50	N/A	\$6.50	0.097	0.63
3	Additional Residence Line or Trunk	6.77	N/A	\$6.77	0.097	0.66
4	Basic Rate ISDN Digital Subscriber Line	6.77	\$2.44	\$9.21	0.097	0.89

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Initial USF Charge Calculations

<u>Line</u>	<u>Description of Federal USF Line Item</u> (a)	<u>EUCL Charge</u> (b)	<u>Excess Line Port Charge</u> (c)	<u>Total</u> (d)=(b)+(c)	<u>1st Qtr 2007 USF Contribution Factor</u> (e)	<u>Initial USF Charge Calculation</u> (f)=(d)*(e)
1	Centrex Station Line	\$6.77	N/A	\$6.77	0.097	\$0.66
2	Multi-Line Business Line or Trunk	6.77	N/A	6.77	0.097	0.66
3	Primary Rate ISDN	33.85	14.00	47.85	0.097	4.64

Annual Centrex Equivalent Unit Calculations

<u>Line</u>	<u>Description</u> (a)	<u>Source</u> (b)	<u>Amount</u> (c)	<u>Centrex Equivalent Factor</u> (d)	<u>Monthly Centrex Equivalent Units</u> (e)=(c)*(d)	<u>Annual Centrex Equivalent Units</u> (f)=(e)*12
4	Total Centrex Lines: November 2006	Customer Rcds	994,702	1	994,702	11,936,424
5	Multi-Line Business Lines: November 2006	Customer Rcds	3,659,264	9	32,933,376	395,200,512
6	Primary Rate ISDN Lines (5 times equivalency)	Customer Rcds	191,068	9	1,719,612	20,635,344
7	Total	4(f)+5(f)+6(f)	N/A	N/A	N/A	427,772,280

Centrex Equivalent Rate Calculation (excluding Excess Line Port)

8	Initial Rev Before Centrex Allocation (w/o ELP)	$[1(f)*4(c)+2(f)*5(c)+3(b)*3(e)*6(c)/5]*12$	\$38,363,498
9	Total Centrex Equivalent Units	7(f)	427,772,280
10	Monthly Centrex Equivalent Rate	$8(c)/9(c)$	\$0.09

Calculation of Monthly USF Charges

<u>Line</u>	<u>Description</u> (a)	<u>Source</u> (b)	<u>Monthly USF Charge</u> (c)
11	Centrex Station Line	10(c)	\$0.09
12	Multi-Line Business Line or Trunk	$[8(c)/9(c)]*9$	\$0.81
13	Primary Rate ISDN	$[8(c)/9(c)]*45 + 3(c)*3(e)$	\$5.40
14	Primary Rate ISDN Billing on 1-2-07	-	\$5.40