

BELLSOUTH TELECOMMUNICATIONS, INC.

DESCRIPTION AND JUSTIFICATION

AT&T VOLUME DISCOUNT PLAN

TRANSMITTAL NO. 1056

1.0 INTRODUCTION

With this filing, BellSouth Telecommunications, Inc. (hereinafter "BellSouth") is proposing to introduce a new volume and term discount plan, without minimum annual revenue commitments, which is being filed in compliance with Merger Commitment # 9 of F.C.C. Docket No. 06-74, for the AT&T /BellSouth merger. The new plan, named the AT&T Volume Discount Plan (AVDP), provides discounts for DS1, DS3, and BellSouth Metro Ethernet Services.

Transmittal No. 1056 is being filed on February 27, 2007 and is scheduled to become effective on March 14, 2007.

2.0 DESCRIPTION

AVDP is a subscription overlay plan which provides discounts for DS1, DS3, and BellSouth Metro Ethernet Services provided under the Channel Services Payment Plan or Transport Payment Plan term plans. These discounts are also in addition to discounts that BellSouth will make in compliance with Merger Commitment # 6 of F.C.C. Docket No.06-74, for the AT&T/BellSouth merger. A Customer may subscribe to AVDP by providing written notification to its Telephone Company account manager or the Business Office.

An annual Billing Credit Discount (BCD) is provided to plan subscribers. It is applied as a percentage discount to the total billed monthly recurring revenue for the subscription period of the current year for DS1 and DS3 Local Channels, and

BellSouth Metro Ethernet Connections. The BCD will be paid as an annual discount credit to the Customer in January of the following year for subscribed services in 2007, 2008, 2009 and 2010.

A Customer's BCD is determined by referencing the table in Section 22.1.1(B) using the monthly in-service volumes, aggregated by service type. Discounts vary by volume tier from 2.0 percent to 3.5 percent, increasing with average monthly volume. The average monthly in-service volume is calculated by totaling the number of Local Channels or Connections by service each month, and dividing the total by the number of months for which the Customer was subscribed during the plan year.

Services described above will count toward the volume levels identified in Section 22.1.1(A)(1), for the purpose of determining a Customer's BCD, from the day the Customer has notified the Telephone Company of its subscription to AVDP.

Services subject to the Customer's Transport Advantage Plan, Fast Packet Savings Plan, Premium Services Incentive Plan or a Price Flex Contract Tariff are not eligible for the AVDP offering.

AVDP expires on December 31, 2010. The last BCD will be paid in January 2011.

3.0 PRICE CAP COMPLIANCE

No supporting documentation is required for a new service filing, as discussed in Section 61.49 of the Commission's Rules.