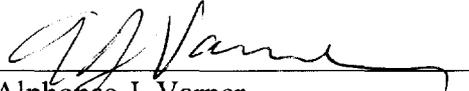


I hereby swear that the foregoing is true and correct to the best of my information and belief.



Alphonso J. Varner
Senior Director
Regulatory
BellSouth Telecommunications, Inc.

Subscribed and sworn to before me this 17
day of December, 1997.



Notary Public **Notary Public, Fulton County, GA**
My Commission Expires Sept. 10, 2000

AJV-1

CIT

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 93-176-C - ORDER NO. 94-342

APRIL 14, 1994

IN RE: Application of Southern Bell Telephone &) ORDER
Telegraph Company for Revisions to its) ON REMAND
General Subscriber Service Tariff and) AND APPROVING
Private Line Service Tariff to Introduce) STIPULATION
Area Plus Service.)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the December 3, 1993 Circuit Court Order of the Honorable L. Henry McKellar, remanding this matter to the Commission. Upon remand the parties have entered into a Stipulation, dated April 11, 1994, and now jointly request that this Commission approve the Stipulation.

The history of the case is herein reviewed. On February 16, 1993, BellSouth Telecommunications, Inc. DBA Southern Bell Telephone and Telegraph Company (Southern Bell) filed its Tariff No. 93-28 with the Commission seeking approval of its Area Plus Service. On March 4, 1993, Southern Bell filed its Tariff No. 93-46 with the Commission seeking approval of its Classroom Local Calling rates, a service which is compatible with Area Plus Service.

On September 1, 1993, after due notice and hearings, the Commission issued Order No. 93-808, finding both tariffs to be in

DOCKET NO. 93-176-C - ORDER NO. 94-342
APRIL 14, 1994
PAGE 2

the public interest and approving the tariffs. On October 15, 1993, the Commission issued Order No. 93-948, denying all Petitions for Reconsideration.

On November 5, 1993, AT&T Communications of the Southern States, Inc. (AT&T), MCI Telecommunications Corporation (MCI), and LDDS of Carolina, Inc. (LDDS) appealed the Commission's decision to the South Carolina Circuit Court, Fifth Judicial District. The Court entered its Order, staying the effect of Southern Bell's Area Plus Service, and of its Classroom Local Calling rates.

Further, on December 3, 1993, the Honorable L. Henry McKellar issued his Order, remanding the case to the Commission for the purpose of taking additional evidence on the Area Calling Plan Principles Agreement, and its effect on the Area Plus Plan, and on intraLATA toll competition in South Carolina. Subsequent to the remand, and after much discovery and many exchanges of information between the parties, the parties mentioned above, along with Southern Bell, the Consumer Advocate for the State of South Carolina (the Consumer Advocate), and the Staff of the Commission (Staff) entered into a Stipulation, dated April 11, 1994, which if approved by this Commission, would resolve all outstanding issues pending in our Docket No. 93-176-C, and the appeal thereof to the Circuit Court (The Stipulation is attached hereto as Exhibit A). For the reasons stated below, the Commission believes that the Stipulation is in the public interest, approves the Stipulation, and adopts the Stipulation as the Order of this Commission.

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PAGE 3

An examination of the Stipulation reveals that it is most certainly in the public interest. As per this Stipulation, Southern Bell will amend its Area Plus tariff to increase the permanent charge for calls made during the peak period for the Extended Service Area (ESA) from 11¢ to 12¢, and to adjust all other rates that are discounts from this rate by a proportion of the amount, and will also extend the ESA for Area Plus Service to include the entirety of each LATA in which Southern Bell's operates in South Carolina. This extended service over and above the 40-mile radius originally filed in Tariff No. 93-28 is clearly in the public interest, in that, it gives extended local calling privileges over a greater distance than that originally contemplated.

Further, upon additional examination of the Stipulation, the Commission believes that the Stipulation increases competition for intraLATA calling between Southern Bell and the various interexchange carriers, who are parties to this case. The Commission approved the concept of intraLATA competition in its Order No. 93-462, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C, said Order being issued on June 3, 1993. The mechanism whereby interexchange carriers will be able to compete with Southern Bell, is such that, if any interexchange carrier implements a service offering that competes with Area Plus, then Southern Bell will deduct from the originated Switched Access charges for traffic originated pursuant to such interexchange carrier plan an amount equal to the terminating non-traffic sensitive element of Southern

DOCKET NO. 93-176-C - ORDER NO. 94-342
APRIL 14, 1994
PAGE 4

Bell's tariffed terminating carrier common line access charges. Under the Stipulation, it is understood that this treatment of access charges for these intraLATA services under the Stipulation represents a surrogate unique to South Carolina, to enable the interexchange carriers to realize access charge treatment similar to the charges paid by Southern Bell, under the Area Calling Plan Principles Agreement for traffic under its Area Plus Service. The Stipulation is therefore in the public interest, in that it promotes intraLATA competition.

For reporting purposes, we hold that Southern Bell shall file annually a report on its Area Plus calling service that provides the information listed on Exhibit B to this Order. We believe that this information will aid the Commission in monitoring the service.

The Commission compliments all parties to this Docket for their hard work and their placing the public interest in high regard. The Commission believes that this compromise, as embodied in the Stipulation, should be approved and made into an Order of this Commission.

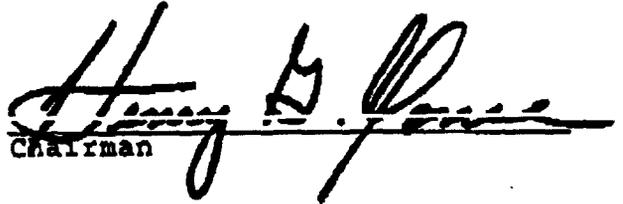
IT IS THEREFORE ORDERED THAT:

1. The Stipulation of April 11, 1994 is hereby approved as filed and is made the Order of this Commission.
2. Southern Bell shall file annually the information shown on Exhibit B.

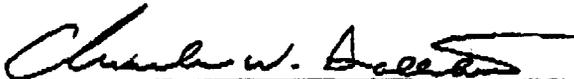
DOCKET NO. 93-176-C ORDER NO. 94-342
APRIL 14, 1994
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3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 93-176-C

IN RE:

Tariff Filing of Southern)
Bell Telephone and Telegraph)
Company for Revisions to its)
General Subscriber Service)
Tariff and Private Line)
Service Tariff to Introduce)
Area Plus* Service)

STIPULATION

BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company ("BellSouth"), MCI Telecommunications Corporation ("MCI"), AT&T Communications of the Southern States, Inc. ("AT&T"), LDDS of Carolina, Inc. ("LDDS"), the Staff of the Public Service Commission ("Staff"), and the South Carolina Consumer Advocate ("Consumer Advocate") by and through their undersigned counsel, hereby stipulate and agree as follows:

1. On February 16, 1993, BellSouth filed its Tariff No. 93-28 with the South Carolina Public Service Commission ("PSC") seeking approval of its Area Plus Service. On March 4, 1993, BellSouth filed its Tariff No. 93-46 with the PSC seeking approval of its Classroom Local Calling Rates.

2. On September 1, 1993, after due notice and hearings, the PSC issued its Order No. 93-808 finding both tariffs to be in the public interest and approving the tariffs.

* Service Mark of BellSouth Corporation

3. On November 5, 1993, AT&T, MCI and LDDS appealed the PSC's decision to the South Carolina Circuit Court, Fifth Judicial District. The Circuit Court entered its Order of Judge L. Henry McKeller dated December 3, 1993, remanding the case to the PSC for the purpose of taking additional evidence on the Area Calling Plan Principles Agreement and its effect on the Area Plus Plan and on intralATA toll competition in South Carolina.

4. The parties hereto enter into this stipulation for the sole purpose of resolving all outstanding issues pending in PSC Docket No. 93-176-C and the appeal thereof. Upon the approval by the PSC of this stipulation, the parties agree to withdraw from all appeals of this docket. The parties agree that upon approval of this stipulation by the PSC, BellSouth may immediately take all appropriate actions consistent with this agreement to implement its Area Plus service offering.

5. If any interexchange carrier implements a service offering that competes with Area Plus, then BellSouth will deduct from the originated switched access charges for traffic originated pursuant to such interexchange carrier plan an amount equal to the terminating non-traffic sensitive element of BellSouth's tariffed terminating carrier common line access charges. It is understood that this treatment of access charges for these intralATA services under this Stipulation represents a surrogate unique to South Carolina to enable the interexchange

carriers to realize access charge treatment similar to the charges paid by BellSouth under the Area Calling Plan Principles for traffic under its Area Plus Service. BellSouth shall file thirty days after the effective date of the Order approving this Stipulation, a certification that it has provided a copy of the order and this stipulation to all interexchange carriers (including resellers) certificated in South Carolina. Further, BellSouth commits that it shall notify in this same manner all interexchange carriers subsequently certificated after the date of the order approving this stipulation. Nothing herein waives or shall be construed to waive any party's position as to whether or not BellSouth should be required to file revisions to its Exchange Access Tariffs to reflect this treatment of access charges for these intraLATA services under this stipulation. To qualify for the access charge reduction pursuant to this stipulation, the interexchange carrier service offering must use dialing arrangements that employ the use of originating and terminating switched access and have distinct prices which are filed and approved subsequent to the execution of this stipulation.

6. Any party desiring to challenge whether a particular interexchange carrier service satisfies the requirements of this agreement, and therefore qualifies for the access charge reduction(s) specified in paragraphs 5 hereof must notify the interexchange carrier in writing of such concerns within seven (7) days of the filing of that

service. All parties agree that they will negotiate in good faith to resolve any concerns. If, after 14 days following the filing of the tariff, such negotiations do not lead to resolution of the concerns, the dispute will be submitted to the Commission for resolution.

7. Each interexchange carrier that provides a service offering approved as qualified for the access charge reduction(s) specified in paragraph 5 hereof will furnish to BellSouth for the purposes of calculating that deduction the number of intraLATA minutes of use originated pursuant to its service offering. BellSouth reserves the right to conduct an independent audit no more than once a year of the interexchange carrier's records to verify the minutes of use provided to BellSouth by that interexchange carrier pursuant hereto. The minutes of use will be provided quarterly and will be trued up on an annual basis.

8. BellSouth will amend its Area Plus tariff for the following purposes:

a) to increase the per minute charge for calls made during the peak period for the Extended Service Area from 11 cents to 12 cents and to adjust all other rates that are discounts from this rate by a proportionate amount; and

b) to extend the Extended Service Area for Area Plus service to include the entirety of each LATA in which BellSouth operates in South Carolina.

9. The parties agree that this stipulation and its appropriateness shall be reviewed as a part of any

Commission proceeding initiated for the following circumstances:

a) a request by BellSouth to withdraw its Area Plus service offering;

b) consideration by the Commission of 1+ intraLATA presubscription in South Carolina.

In any event, the parties agree that this stipulation shall be reviewed three (3) years after its approval by the Commission to ascertain whether any modifications are appropriate.

10. BellSouth will not come before this Commission requesting rate relief for any possible losses resulting from the introduction of Area Plus service, the execution of the Area Calling Plan Principles Agreement, or this Stipulation.

11. This stipulation represents a compromise to resolve the Area Plus case which all parties hereto recommend to the PSC with the understanding that if this stipulation is not approved in its entirety, the parties are free to withdraw from this stipulation and to litigate any and all issues concerning BellSouth's Area Plus Service offering. The parties agree that this agreement does not constitute a change in BellSouth policy and that they will refrain from representing that it does constitute a change in BellSouth policy. The parties also specifically acknowledge that by entering this stipulation, no party is barred from pursuing any action with respect to the

appropriateness or inappropriateness of the Area Calling Plan Principles agreement, its application or BellSouth's participation in that agreement.

This stipulation may be executed in more than one original counterpart. Each original counterpart shall constitute a valid and binding agreement.

Dated as of this 11 day of April, 1994.

BELLSOUTH TELECOMMUNICATIONS
CORPORATION, INC.

BY: 

05/22/97 10:17

880 56 8082

W&H, ATTORNEYS

013/059

7

Dated as of this 11th day of April, 1994

MCI TELECOMMUNICATIONS CORPORATION

By: Neil R Larsen

Dated as of this 11th day of April, 1994...

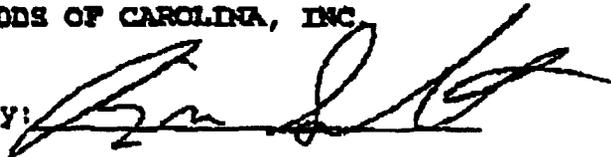
AT&T COMMUNICATIONS OF THE
SOUTHERN STATES, INC.

By: *J. A. [Signature]*

Dated as of this 11 day of April, 1994.

LDOS OF CAROLINA, INC.

By:

A handwritten signature in black ink, appearing to be "B. J. K.", written over a horizontal line.

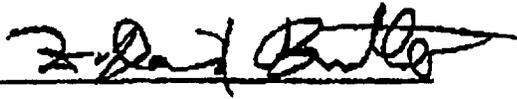
Dated as of this 11th day of April, 1994.

**SOUTH CAROLINA DEPARTMENT
OF CONSUMER AFFAIRS**

BY: *Elliott J. Elam, Jr.*

Dated as of this 11 day of April, 1994.

**SOUTH CAROLINA PUBLIC
SERVICE COMMISSION**

By: 

DOCKET NO. 93-176-C
ORDER NO. 94-342
EXHIBIT B

AREA PLUS REPORTING REQUIREMENTS

- (1) A separate category for Area Plus calling service in an Embedded Direct Analysis, similar to those required by the Commission in Southern Bell's incentive regulation case. If Southern Bell claims it is not feasible, the Public Service Commission Staff will conduct an independent audit.
- (2) A showing of revenues and minutes of use for the Area Plus Basic Service Area, broken down by Residential, Business, PBX, and ESSX.
- (3) A showing of revenues and minutes of use for the Area Plus Expanded Service Area, broken down by Residential, Business, PBX, and ESSX.
- (4) Any additional costs incurred to provide Area Plus service, including, but not limited to, marketing expenses, implementation costs, costs to train service representatives, and costs associated with reprogramming switches.
- (5) Any cost changes for Area Plus service due to separations changes.
- (6) For Area Plus calls that terminate in independent company service territory, pursuant to the "Area Calling Plan Principles" agreement, (a) a showing of the minutes of terminating use, broken down by minutes under flat rate plans and non-flat rate plans; and (b) a showing of the gross revenue foregone by each independent company as a result of the non-payment of any terminating CCL charges.
- (7) For each independent company area calling plan which terminates such calls in Southern Bell service territory, pursuant to the "Area Calling Plan Principles" agreement, (a) a showing of the minutes of terminating use, broken down by minutes under flat rate plans and non-flat rate plans; and (b) a showing of the gross revenue foregone by Southern Bell as a result of the non-payment of any terminating CCL charges.

AJV-2



BellSouth Interconnection Services 205 988-7800
Suite 350 Fax 205 988-6969
One Chase Corporate Drive
Hoover, Alabama 35244

Fred P. Monacelli
Sales Assistant Vice President

November 14, 1997

Ms. Anne K. Bingaman
Senior Vice President - LCI
President, Local Telecommunications Division
8180 Greensboro Drive
McLean, Virginia 22102

Dear Ms. Bingaman:

The purpose of this letter is to correct BellSouth's position as contained within a letter sent to you on October 7, 1997.

Pursuant to the 8th Circuit's ruling, BellSouth has no obligation to provide combinations of unbundled network elements. Contrary to my October 7, 1997 letter, when an interconnector, without any contractual obligation to the contrary, orders unbundled network elements for purposes of combining such elements for itself, BellSouth will treat, for purposes of billing and provisioning, that order as one for unbundled network elements.

I apologize for the need for clarification.

Sincerely,

A handwritten signature in cursive script that reads "Fred P. Monacelli".

Fred Monacelli

cc: Joe Baker



BellSouth Interconnection Services 205 988-7800
Suite 350 Fax 205 988-8969
One Chase Corporate Drive
Hoover, Alabama 35244

Fred P. Manacelli
Sales Assistant Vice President

October 7, 1997

Ms. Anne K. Bingaman
Senior Vice President - LCI
President, Local Telecommunications Division
8180 Greensboro Drive
McLean, Virginia 22102

Dear Ms. Bingaman:

This is in response to your September 24, 1997, letter to Joe Baker. In that letter you asked that BellSouth clearly state its position relative to LCI's unbundled network element (UNE) platform plan.

BellSouth considers LCI to be a valued customer. Regarding LCI's platform plan, BellSouth offers resale service and/or UNEs that LCI can combine with its own facilities to provide a telecommunications service or combine BellSouth UNEs itself to provide a unique telecommunications service or to duplicate a BellSouth retail service. BellSouth's position is consistent with the 8th Circuit Court of Appeal's July 18, 1997 opinion. The 8th Circuit plainly stated that the Act "unambiguously indicates that the requesting carriers will combine the unbundled network elements themselves." Therefore, there is no legal duty on the part of BellSouth to provide combined network elements to LCI. Consistent with the 8th Circuit's ruling, if it is LCI's plan to utilize all BellSouth network elements to provide finished telephone service, LCI may purchase all of the individual unbundled network elements needed to provide finished telephone service, but LCI must combine the necessary elements. The 8th Circuit ruling clearly finds, however, that BellSouth, as an ILEC, has no obligation to combine network elements. The 8th Circuit expressly stated in upholding the FCC's rule that "[our] ruling finding that [the Act] does not require an incumbent LEC to combine the elements for a requesting carrier establishes that requesting carriers will in fact be receiving the elements on an unbundled basis." Thus, the only meaning that can now be given to FCC Rule 51.315(b) is that an incumbent LEC may not further unbundle a network element to be purchased by another local provider unless explicitly requested to do so by that provider. The rule cannot be read as requiring ILEC's to deliver combinations to providers such as LCI.

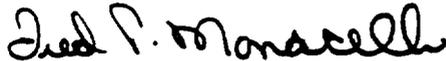
Page 2

In all states, when LCI orders individual network elements that, when combined by LCI, duplicate a retail service provided by BellSouth, BellSouth will treat, for purposes of billing and provisioning, that order as one for resale. When LCI orders individual network elements that, when combined by LCI, creates a unique LCI telecommunications service, BellSouth will treat, for purposes of billing and provisioning, that order as one for unbundled network elements.

BellSouth, however, is examining the viability of providing various combinations of UNEs as a service to its interconnection customers. Such service offerings would have prices that reflect the 8th Circuit's finding that the use of unbundled network elements involves greater risk to the other provider than does resale.

I trust that this response provides the details you were seeking. As your Account Team, we stand ready to support LCI's local service initiatives with the same professionalism and customer focus we provide on the "access" side of your business.

Sincerely,



Fred Monacelli

cc: Joe Baker

AJV-3

SOUTH CENTRAL BELL
TELEPHONE COMPANY
LOUISIANA

GENERAL SUBSCRIBER SERVICES TARIFF

Eighth Revised Page 23
Cancels Seventh Revised Page 23

ISSUED: July 10, 1992
BY: President - Louisiana
New Orleans, Louisiana

EFFECTIVE: July 24, 1992

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.5 Preliminary Filing

A5.5.1 General

In order to meet customer needs, a service may be provided where equipment is available in advance of fully detailed pricing information. In such instances, rates will be filed and billed, based on preliminary information.

A5.6 Contract Service Arrangements

A5.6.1 General

- A. When economically practicable, customer specific contract service arrangements may be furnished in lieu of existing tariff offerings provided there is reasonable potential for uneconomic bypass of the Company's services. Uneconomic bypass occurs when an alternative service arrangement is utilized, in lieu of Company services, at prices below the Company's rates but above the Company's incremental costs.
- B. Rates, Charges, Terms and additional regulations, if applicable, for the contract service arrangements will be developed on an individual case basis, and will include all relevant costs, plus an appropriate level of contribution.
- C. Unless otherwise specified, the regulations for contract service arrangements are in addition to the applicable regulations and rates specified in other sections of this Tariff.

A5.7 Reserved For Future Use

A5.8 Special Billing Arrangements

A5.8.1 Reserved For Future Use

A5.8.2 Special Central Office Service Billing Arrangement For Louisiana State Government

A. General

1. This Tariff provides a special billing arrangement for Louisiana State Government for ten years from *July 24, 1992*.
2. This billing arrangement consolidates the rates for terminating arrangements for special facilities, consoles and associated features such as ESSX[®] Customer Administration Service (ECAS), Digital ESSX[®] Customer Administration Service (DECAS), Exchange Circuit Mileage within the serving central office, common equipment and optional service features with recognition of an increment for billing consolidation. All other services are provided at standard tariffed rates.
3. In addition to the preceding, the following Optional Features will be incorporated into this special billing arrangement; (1) Electronic Tandem Switching, (2) Station Message Detail Recording, (3) Metropolitan Communications Service (MCS), (4) Special Intercept Arrangement, and (5) Voice/Data Protection. These rates and charges represent the Electronic Tandem Switching, Station Message Detail Recording, MCS, Special Intercept Arrangement, and Voice/Data Protection Features only, and do not reflect any consolidation of other rates and charges. The rates and charges for these features will be coterminous with the special billing arrangement.

(C)