US OFFICE PRODUCTS

Subject: Adjustment of Common Line Revenues Because of Historic Understatement of Base Factor Portion.

Issue 1: Provide a recalculation of Bell Atlantic's maximum common line revenues, using the CCL Recalculation Methodology employed by AT&T in its December 23 Petition. (¶ 35)

Response:

See Exhibit B-1.

Issue 2: Provide comments on AT&T's methodology, and state whether it should be adjusted to account for specific instances in which the price cap LECs have priced their CCL charges below the permitted cap or have reduced their PCIs for a tariff year because of sharing. Submit any alternative methodologies that would present a more accurate calculation of Bell Atlantic's maximum common line revenues. (¶ 35)

Response:

It would be inconsistent with the Commission's price cap rules to require an adjustment in the maximum carrier common line rates to account for under-forecasts of base factor portion costs in prior years. The AT&T methodology would add a true-up process in each annual filing to correct the effects of under or over-forecasts of base factor portion costs in the previous year's filing. This would add a layer of complexity and burden to the process that did not exist even under rate of return regulation.[1] It is hard to see how this would improve price cap regulation. Moreover, the Commission could not impose this procedure without conducting a rulemaking proceeding to modify the formula for the maximum common line formula. ***See*** 5 U.S.C. § 553. Without such a

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[1] While the carriers were required to forecast costs and demand under rate of return regulation, and while those forecasts were tested for reasonableness in the tariff review process and in tariff investigations, the Commission did not require the local exchange

rulemaking, there is no legal basis for using the AT&T procedure to disallow part of the local exchange carriers' carrier common line rates.

If the Commission wants to reduce the influence of cost forecasts in the rate-setting process, it should change the common line formula to use prior year actual base factor portion revenue requirements rather than forecasts. One of the Commission's goals in adopting price caps was to regulate prices, rather than costs. The debate over the reasonableness of forecasts of base factor portion costs and the ensuing tariff investigations are causing price caps to resemble traditional rate of return regulation, with all of the inefficiencies and uneconomic incentives that caused the Commission to abandon that system of regulation in the first place. By relying on actual prior year base factor portion costs in the common line formula, the Commission could avoid turning each annual filing into an old-fashioned rate case.

Even if such a change were appropriate in the context of a tariff investigation, AT&T fails to recognize that any adjustment factor must be two-way. Over-forecasts of the base factor portion can cause the maximum carrier common line charge to be lower in the following years. As is shown in the attached spreadsheets, Bell Atlantic has under-forecast the base factor portion in some years and over-forecast it in other years. This results in total common line basket revenues that may be somewhat higher or lower than what was filed in any given year, but the difference in total common line basket revenues is relatively small.

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carriers to revise their rates in the next annual filing to account for differences between actual data and forecasts in the previous year's filing.

In any event, AT&T has grossly overstated any possible carry-over effect on carrier common line rates of earlier under-forecasts of base factor portion revenue requirements. AT&T's analysis of the issue is flawed, and their discussion is misleading.

Preliminarily, the Bureau should note that AT&T has changed its allegations concerning the carry-forward effect of an understatement of the base factor portion revenue requirements. When AT&T first raised this issue in its Opposition to Direct Cases, CC Docket No. 97-149 (filed Spe. 12, 1997) ("AT&T Opposition"), AT&T suggested that the carry-forward impact is the total of what the reduced carrier common line revenues would have been in prior years. For example, AT&T stated that NYNEX had overstated its carrier common line rates for the 1991-1992 tariff year by $25.4 million because of an under-forecast of the base factor portion revenue requirement. According to AT&T, this amount became embedded in the NYNEX's carrier common line rates in each subsequent year. (***See*** AT&T Opposition, p. 15, n.24, and Exhibit E, p. 1.) AT&T states that current carrier common line rates are overstated by $271 million for the industry, of which $120 million represents the Bell Atlantic telephone companies. As Bell Atlantic explained in its reply, an overstatement of the carrier common line by a certain amount in one year does not translate into a similar overstatement in the following year. The total allowable common line basket revenues in any given year determine the carrier common line rate for that year. Each year, the carrier common line rate is developed so that the combined end user and carrier common line revenues equal total allowable basket revenues. This precludes the ability to bring any carry forward effect of inflated carrier common line rates on a cumulative basis as claimed by AT&T.

In its Comments filed December 23, 1997, AT&T implicitly conceded the validity of Bell Atlantic's argument concerning the carry forward effect on the carrier common line rate. Using US West data as an example, AT&T claimed that AT&T overpaid US West by $218 million since 1991, but it acknowledged that this entire amount is not embedded in existing rates. Rather, AT&T claimed that US West's total common line revenues are overstated by $18 million, and that the carrier common line revenues are overstated by the same amount.[2] AT&T claimed that other price cap carriers, including Bell Atlantic, have similarly overstated their current carrier common line revenues.

AT&T still has grossly overstated the impact of base factor portion cost forecasts on carrier common line rates in subsequent years. The total allowable common line basket revenues in any tariff year are determined by multiplying the end user charges and the carrier common line charges at the last price cap index update by the tariff year base period demand. This means that, each year, the prior year's rates are carried forward and multiplied by base year demand to calculate total allowable common line revenues. To the extent that minutes are growing faster than lines, an overstatement of the per-minute carrier common line rate can produce higher total allowable common line revenues than if the common line rate had been lower. However, the impact on total common line basket revenues can vary each year as demand and rates change, and the direction of the change can also vary. That is, in any particular year, the restatement of total common line revenues using actual base factor portion costs and can produce a <u>higher</u> maximum allowable carrier common line rate than was developed in the filing. The fact that the

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[2] ***See*** AT&T Opposition, p. 6. In its Opposition, AT&T claimed that US West's carrier

direction of the impact can change from year to year demonstrates the impracticality of requiring a true up adjustment for the carry forward effect.

Using AT&T's methodology, Bell Atlantic-South's total common line basket revenues would be $2.7 million less in 1997 if end user common line rates were set each year using actual base factor portion revenue requirements.[3] The impact in 1997 for Bell Atlantic-North is $0.9 million.[4] These impacts are much smaller than AT&T alleged and, as stated above, will change each year depending on the demand and rate changes from the prior year. Moreover, the impact of the difference between forecasts and actuals in a given year is reduced by the fact that, assuming actual base factor portion costs are higher than the forecasts, the forecast amount may still have exceeded the cap on the multiline business end user common line charge, which means that there was no effect on the carrier common line rate paid by customers. This occurred in some of the annual filings for Bell Atlantic. ***See*** Exhibit B-1, p.3. AT&T's comments suggesting much higher carry-forward impacts are flawed and do not portray an accurate view of the development of carrier common line rates.

Additionally, in reviewing the impact on total common line basket revenues under the AT&T methodology, Bell Atlantic determined that the greatest impact on common line revenue differences in 1997 was due to how the rate changes between annual filings were reflected in the AT&T recalculated rates. Under the AT&T methodology, the interim or mid-year rate changes are calculated by first determining the percentage

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common line rates were inflated by $37 million.

[3] ***See*** Exhibit B-1, Bell Atlantic-South, p. 1g.

change in the carrier common line rate between annual filings for the local exchange carrier's filed rates, and then applying that same percentage change to the AT&T recalculated rate. This is not necessarily the impact that would have occurred on rates for prior time periods. Applying a percentage decrease, for instance, against a recalculated carrier common line rate that is higher than the one filed, will result in a greater dollar reduction impact between filings than what would have actually occurred. When Bell Atlantic examined the impact of actually recalculating the AT&T rate by reflecting the impact of all mid-year filings between the 1996 and 1997 Annual Filings, and not using the annual percentage change in the carrier common line rate, the difference in common line basket revenues, and carrier common line rates, for Bell Atlantic-South was reduced from $2.8 million to only $0.8 million. ***See*** Exhibit B-2, p. 1e. Bell Atlantic was not able to recalculate the impact of actually reflecting mid year filings for all years. However, this shows that the AT&T methodology is too unreliable to serve as a basis for an adjustment in the maximum allowable carrier common line rate.

Additionally, AT&T's methodology does not include the impact of changes in sharing amounts. In those years where the total common line basket cap is lower under the revised rate scenario, the total revenues would be lower and any applicable sharing in that year would also be lower. The sharing would be reflected in the price cap index for the following tariff year. Including all these applicable affects in the attached analyses would lead to greater complexity in a process that shows relatively small impacts on total Common Line basket revenues. Finally, any look at the amount that the carrier common

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[4] ***See*** Exhibit B-1, Bell Atlantic -North, p. 1g.

line rate was overstated in prior years should reflect the actual rates charged in the applicable year, and not the rate cap.

BELL ATLANTIC SOUTH

EXHIBIT B1

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EXHIBIT B1
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	CALCULATION OF CARRIER COMMON LINE RATE CAP		BA South 1991 Annual Filing Trans No. 445 (A)	1991 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU		24,721,852,676	24,721,852,676	
110	Term CCL Non-Prem MOU		168,228,313	168,228,313	
120	Chargeable Term CCL Prem MOU		24,797,555,417	24,797,555,417	
130	Originating CCL Prem MOU		20,785,141,492	20,785,141,492	
140	Originating CCL NonPrem MOU		30,554,478	30,554,478	
150	Chargeable Originating CCL Prem MOU		20,798,891,007	20,798,891,007	
160	Term CCL Prem Capped Rates at last PCI		0.011523	0.011523	
170	Orig CCL Prem Capped Rates at last PCI		0.010000	0.010000	
180	Multiline Business EUCL lines		58,246,416	58,246,416	
190	Res & Single Business EUCL lines		143,181,276	143,181,276	
200	Lifeline Lines		0	0	
210	Special Access Surcharge Lines		316,884	316,884	
220	Multiline Bus EUCL Rates at last PCI update		4.118389	4.118389	
230	Res & Single Bus EUCL lines at last PCI		3.480811	3.480811	
240	Lineline Rates at last PCI update		0.00	0.00	
250	Sp. Acc. Srch. at last PCI update		25	25	
255	Other CCL Revenues		0	0	
260	CL Revenue at Capped t-1 Rates		1,239,921,601	1,239,921,601	0
270	CCL Revenue at Capped t-1 Rates		1,239,921,601	1,239,921,601	
280	CCL MOU for base year		45,705,776,959	45,705,776,959	
290	CL Rev/MOU t-1		0.027128	0.027128	
300	CL PCI(t)		92.45%	92.45%	
310	CL PCI(t-1)		99.09%	99.09%	
320	1 + % Change CL PCI		0.932900	0.932900	
330	CL Rev/MOU(t)		0.025308	0.025308	
340	Base Demand * Proposed SLCs		736,103,677	752,900,797	
350	CCL MOU for Base Year		45,705,776,959	45,705,776,959	
360	1 + g/2		1.032800	1.032800	
370	SLC REV/MOU(t)		0.015594	0.015950	
380	CCL Rev/MOU(t)		0.009714	0.009358	
390	CCL MOU for Base Year		45,705,776,959	45,705,776,959	
400	CCL Rev at CCL Rev/MOU(t)		443,996,606	427,732,934	
410	Chargeable Origin MOU		20,798,891,007	20,798,891,007	
420	Originating CCL Rev (rate = .01)		207,988,910	207,988,910	
430	Residual CCL Rev		236,007,696	219,744,024	
440	Chargeable Terminating MOU		24,797,555,417	24,797,555,417	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)		0.009517	0.008862	
460	Total Chargeable MOU		45,596,446,424	45,596,446,424	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)		0.009738	0.009381	
480	Premium Terminating Rate Cap		0.009738	0.009381	
		1992			
INPUT FOR LINE 340		220	3.95912456	4.23659298	
		230	3.47515244	3.47959142	
		240	0.00000000	0.00000000	
		250	25.00	25.00	
	Proposed CL Cap Revenue		1,180,121,872	1,180,641,061	(519,188)

	1990 MLB demand	proposed	Revenue	AT&T EUCL adj (page 5)	AT&T adj. adj proposed	AT&T adj proposed MLB
DC	6,163,248	2.49	15,346,488	7.25%	2.67	16,458,552
MD	9,403,164	4.38	41,185,858	7.25%	4.70	44,170,341
VA	9,130,056	5.05	46,106,783	7.25%	5.42	49,447,854
WV	1,262,592	6.00	7,575,552		6.00	7,575,552
DE	1,357,644	4.49	6,095,822	7.25%	4.82	6,537,548
NJ	15,163,920	3.68	55,803,226	7.25%	3.95	59,846,938
PA	15,765,792	3.71	58,491,088	7.25%	3.98	62,729,573
TOTAL	58,246,416		230,604,816			246,766,357
Comp. Rates		3.959125			4.236593	
	1990 Res/SLB demand					
DC	3,522,480	2.49	8,770,975	7.25%	2.67	9,406,553
MD	23,068,248	3.50	80,738,868		3.50	80,738,868
VA	20,744,076	3.50	72,604,266		3.50	72,604,266
WV	6,478,128	3.50	22,673,448		3.50	22,673,448
DE	3,462,780	3.50	12,119,730		3.50	12,119,730
NJ	41,026,140	3.50	143,591,490		3.50	143,591,490
PA	44,879,424	3.50	157,077,984		3.50	157,077,984
TOTAL	143,181,276		497,576,761			498,212,339
Comp. Rates		3.475152			3.479591417	

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	CALCULATION OF CARRIER COMMON LINE RATE CAP	BA South 1992 Annual Filing Trans No. 513 (A)	1992 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU	26,637,202,576	26,637,202,576	
110	Term CCL Non-Prem MOU	42,852,756	42,852,756	
120	Chargeable Term CCL Prem MOU	26,656,486,316	26,656,486,316	
130	Originating CCL Prem MOU	21,915,479,007	21,915,479,007	
140	Originating CCL NonPrem MOU	9,798,503	9,798,503	
150	Chargeable Originating CCL Prem MOU	21,919,888,333	21,919,888,333	
160	Term CCL Prem Capped Rates at last PCI	0.009845	0.009484	
170	Orig CCL Prem Capped Rates at last PCI	0.009845	0.009484	
180	Multiline Business EUCL lines	59,993,328	59,993,328	
190	Res & Single Business EUCL lines	144,404,544	144,633,264	
200	Lifeline Lines	228,720	0	
210	Special Access Surcharge Lines	280,536	280,536	
220	Multiline Bus EUCL Rates at last PCI update	3.965695	4.240573	
230	Res & Single Bus EUCL lines at last PCI	3.475886	3.480194	
240	Lineline Rates at last PCI update	3.475888	0.000000	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues	0	0	
260	CL Revenue at Capped t-1 Rates	1,225,891,787	1,225,469,591	422,197
270	CCL Revenue at Capped t-1 Rates	1,225,891,787	1,225,469,591	
280	CCL MOU for base year	48,605,332,842	48,605,332,842	
290	CL Rev/MOU t-1	0.025221	0.025213	
300	CL PCI(t)	86.57%	86.57%	
310	CL PCI(t-1)	92.84%	92.84%	
320	1 + % Change CL PCI	0.932400	0.932400	
330	CL Rev/MOU(t)	0.023516	0.023508	
340	Base Demand * Proposed SLCs	759,886,496	773,113,003	
350	CCL MOU for Base Year	48,605,332,842	48,605,332,842	
360	1 + g/2	1.023500	1.023500	
370	SLC REV/MOU(t)	0.015275	0.015541	
380	CCL Rev/MOU(t)	0.008242	0.007968	
390	CCL MOU for Base Year	48,605,332,842	48,605,332,842	
400	CCL Rev at CCL Rev/MOU(t)	400,582,327	387,265,850	
410	Chargeable Origin MOU	21,919,888,333	21,919,888,333	
420	Originating CCL Rev (rate = .01)	219,198,883	219,198,883	
430	Residual CCL Rev	181,383,443	168,066,967	
440	Chargeable Terminating MOU	26,656,486,316	26,656,486,316	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.006804	0.006305	
460	Total Chargeable MOU	48,576,374,650	48,576,374,650	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)	0.008246	0.007972	
480	Premium Terminating Rate Cap	0.008246	0.007972	

	1993		
INPUT FOR LINE 340	220	4.17299050	4.38582753
	230	3.47445321	3.47761780
	240	3.47445348	0.00000000
	250	25.00	25.00
Proposed CL Cap Revenue		1,160,447,282	1,160,363,862

	1991 MLB demand	AT&T prior proposed MLB	AT&T prior prop. MLB revenue	1991 Res/SLB demand	AT&T prior prop. Res/SLB	AT&T prior prop. Res/SLB revenue
DC	6,240,648	2.67	16,665,243	3,453,192	2.67	9,221,524
MD	9,616,524	4.70	45,172,576	23,410,668	3.50	81,937,338
VA	9,483,504	5.42	51,362,108	21,118,272	3.50	73,913,952
WV	1,321,224	6.00	7,927,344	6,565,296	3.50	22,978,536
DE	1,388,256	4.82	6,684,956	3,539,472	3.50	12,388,152
NJ	15,631,860	3.95	61,693,741	41,379,000	3.50	144,826,500
PA	16,311,312	3.98	64,900,110	45,167,364	3.50	158,085,774
TOTAL	59,993,328		254,406,078	144,633,264		503,351,776
Comp. Rates		4.24057285			3.480193713	

	1991 MLB demand	proposed	BA Revenue	AT&T EUCL adj (page 5)	AT&T adj. adj proposed	AT&T adj prop. Revenues
DC	6,240,648	2.43	15,164,775	5.45%	2.56	15,991,944
MD	9,616,524	4.74	45,582,324	5.45%	5.00	48,068,632
VA	9,483,504	5.24	49,693,561	5.45%	5.53	52,404,119
WV	1,321,224	6.00	7,927,344		6.00	7,927,344
DE	1,388,256	6.00	8,329,536		6.00	8,329,536
NJ	15,631,860	3.82	59,713,705	5.45%	4.03	62,970,816
PA	16,311,312	3.92	63,940,343	5.45%	4.13	67,427,998
TOTAL	59,993,328		250,351,588			263,120,390
Comp. Rates		4.172990497			4.385827535	

	1991 Res/SLB demand					
DC	3,453,192	2.43	8,391,257	5.45%	2.56	8,848,961
MD	23,410,668	3.50	81,937,338		3.50	81,937,338
VA	21,118,272	3.50	73,913,952		3.50	73,913,952
WV	6,565,296	3.50	22,978,536		3.50	22,978,536
DE	3,539,472	3.50	12,388,152		3.50	12,388,152
NJ	41,379,000	3.50	144,826,500		3.50	144,826,500
PA	45,167,364	3.50	158,085,774		3.50	158,085,774
TOTAL	144,633,264		502,521,509			502,979,213
		3.474453211			3.477617801	

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	CALCULATION OF CARRIER COMMON LINE RATE CAP	BA South 1993 Annual Filing Trans No. 579 (A)	1993 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU	30,613,715,157	30,613,715,157	
110	Term CCL Non-Prem MOU	11,653,605	11,653,605	
120	Chargeable Term CCL Prem MOU	30,618,959,279	30,618,959,279	
130	Originating CCL Prem MOU	20,751,411,027	20,751,411,027	
140	Originating CCL NonPrem MOU	1,673,179	1,673,179	
150	Chargeable Originating CCL Prem MOU	20,752,163,958	20,752,163,958	
160	Term CCL Prem Capped Rates at last PCI	0.008134	0.007864	
170	Orig CCL Prem Capped Rates at last PCI	0.008134	0.007864	
180	Multiline Business EUCL lines	62,722,704	62,722,704	
190	Res & Single Business EUCL lines	147,347,832	147,347,832	
200	Lifeline Lines	0	0	
210	Special Access Surcharge Lines	294,708	294,708	
220	Multiline Bus EUCL Rates at last PCI update	4.179378	4.392494	
230	Res & Single Bus EUCL lines at last PCI	3.475619	3.478232	
240	Lineline Rates at last PCI update	3.220832	0.000000	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues	0	0	
260	CL Revenue at Capped t-1 Rates	1,199,487,230	1,199,369,212	118,018
270	CCL Revenue at Capped t-1 Rates	1,199,487,230	1,199,369,212	
280	CCL MOU for base year	51,378,452,668	51,378,452,668	
290	CL Rev/MOU t-1	0.023346	0.023344	
300	CL PCI(t)	92.95%	92.95%	
310	CL PCI(t-1)	86.16%	86.16%	
320	1 + % Change CL PCI	1.078852	1.078852	
330	CL Rev/MOU(t)	0.025187	0.025185	
340	Base Demand * Proposed SLCs	833,653,493	836,042,329	
350	CCL MOU for Base Year	51,378,452,668	51,378,452,668	
360	1 + g/2	1.014850	1.014850	
370	SLC REV/MOU(t)	0.015988	0.016034	
380	CCL Rev/MOU(t)	0.009199	0.009150	
390	CCL MOU for Base Year	51,378,452,668	51,378,452,668	
400	CCL Rev at CCL Rev/MOU(t)	472,614,287	470,133,082	
410	Chargeable Origin MOU	20,752,163,958	20,752,163,958	
420	Originating CCL Rev (rate = .01)	207,521,640	207,521,640	
430	Residual CCL Rev	265,092,648	262,611,443	
440	Chargeable Terminating MOU	30,618,959,279	30,618,959,279	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.008658	0.008577	
460	Total Chargeable MOU	51,371,123,237	51,371,123,237	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)	0.009200	0.009152	
480	Premium Terminating Rate Cap	0.009200	0.009152	
	1994			
INPUT FOR LINE 340	220	5.00272759	5.03975131	
	230	3.47817259	3.47862464	
	240	0.00000000	0.00000000	
	250	25.00	25.00	
	Proposed CL Cap Revenue	1,306,267,827	1,306,190,849	76,978

	1992 MLB demand	AT&T prior proposed MLB	AT&T prior prop. MLB revenue	1992 Res/SLB demand	AT&T prior prop. Res/SLB	AT&T prior prop. Res/SLB revenue
DC	6,423,864	2.56	16,461,443	3,421,512	2.56	8,767,780
MD	10,131,564	5.00	50,643,083	24,103,572	3.50	84,362,502
VA	10,027,656	5.53	55,411,004	21,747,312	3.50	76,115,592
WV	1,401,948	6.00	8,411,688	6,711,612	3.50	23,490,642
DE	1,444,152	6.00	8,664,912	3,634,488	3.50	12,720,708
NJ	16,238,184	4.03	65,413,310	42,048,120	3.50	147,168,420
PA	17,055,336	4.13	70,503,658	45,681,216	3.50	159,884,256
TOTAL	62,722,704		275,509,099	147,347,832		512,509,900
Comp. Rates		4.39249396			3.478231699	

		proposed	BA Revenue	AT&T EUCL adj (page 5)	AT&T adj. adj proposed	AT&T adj prop Revenue
DC	6,423,864	2.56	16,445,092	0.76%	2.58	16,570,150
MD	10,131,564	5.25	53,190,711	0.76%	5.29	53,595,203
VA	10,027,656	5.52	55,352,661	0.76%	5.56	55,773,594
WV	1,401,948	6.00	8,411,688		6.00	8,411,688
DE	1,444,152	5.61	8,101,693	0.76%	5.65	8,163,303
NJ	16,238,184	4.98	80,866,156	0.76%	5.02	81,481,108
PA	17,055,336	5.36	91,416,601	0.76%	5.40	92,111,784
TOTAL	62,722,704		313,784,602			316,106,829
Comp. Rates		5.002727592			5.039751307	

	1992 Res/SLB demand					
DC	3,421,512	2.56	8,759,071	0.76%	2.58	8,825,680
MD	24,103,572	3.50	84,362,502		3.50	84,362,502
VA	21,747,312	3.50	76,115,592		3.50	76,115,592
WV	6,711,612	3.50	23,490,642		3.50	23,490,642
DE	3,634,488	3.50	12,720,708		3.50	12,720,708
NJ	42,048,120	3.50	147,168,420		3.50	147,168,420
PA	45,681,216	3.50	159,884,256		3.50	159,884,256
TOTAL	147,347,832		512,501,191			512,567,800
Comp. Rates		3.478172592			3.478624644	

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EXHIBIT B1
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	CALCULATION OF CARRIER COMMON LINE RATE CAP	BA South 1994 Annual Filing Trans No. 673 (A)	1994 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU	25,803,503,753	25,803,503,753	
110	Term CCL Non-Prem MOU	7,938,126	7,938,126	
120	Chargeable Term CCL Prem MOU	25,807,075,910	25,807,075,910	
130	Originating CCL Prem MOU	28,270,182,507	28,270,182,507	
140	Originating CCL NonPrem MOU	1,030,804	1,030,804	
150	Chargeable Originating CCL Prem MOU	28,270,646,369	28,270,646,369	
160	Term CCL Prem Capped Rates at last PCI	0.009226	0.009178	
170	Orig CCL Prem Capped Rates at last PCI	0.009226	0.009178	
180	Multiline Business EUCL lines	65,784,312	65,784,312	
190	Res & Single Business EUCL lines	149,097,045	149,414,592	
200	Lifeline Lines	317,547	0	
210	Special Access Surcharge Lines	305,400	305,400	
220	Multiline Bus EUCL Rates at last PCI update	5.016410	5.053509	
230	Res & Single Bus EUCL lines at last PCI	3.485741	3.478782	
240	Lineline Rates at last PCI update	3.141988	0.000000	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues	(997,729)	0	
260	CL Revenue at Capped t-1 Rates	1,356,270,829	1,356,182,731	88,098
270	CCL Revenue at Capped t-1 Rates	1,356,270,829	1,356,182,731	
280	CCL MOU for base year	54,082,655,190	54,082,655,190	
290	CL Rev/MOU t-1	0.025078	0.025076	
300	CL PCI(t)	85.86%	85.86%	
310	CL PCI(t-1)	93.05%	93.05%	
320	1 + % Change CL PCI	0.922674	0.922674	
330	CL Rev/MOU(t)	0.023139	0.023137	
340	Base Demand * Proposed SLCs	856,339,036	872,900,956	
350	CCL MOU for Base Year	54,082,655,190	54,082,655,190	
360	1 + g/2	1.013750	1.013750	
370	SLC REV/MOU(t)	0.015619	0.015921	
380	CCL Rev/MOU(t)	0.007519	0.007216	
390	CCL MOU for Base Year	54,082,655,190	54,082,655,190	
400	CCL Rev at CCL Rev/MOU(t)	406,671,751	390,253,183	
410	Chargeable Origin MOU	28,270,646,369	28,270,646,369	
420	Originating CCL Rev (rate = .01)	282,706,464	282,706,464	
430	Residual CCL Rev	123,965,287	107,546,720	
440	Chargeable Terminating MOU	25,807,075,910	25,807,075,910	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.004804	0.004167	
460	Total Chargeable MOU	54,077,722,279	54,077,722,279	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)	0.007520	0.007217	
480	Premium Terminating Rate Cap	0.007520	0.007217	

	1995		
INPUT FOR LINE 340	220	5.00261553	5.24631854
	230	3.48504838	3.48118944
	240	0.00000000	0.00000000
	250	25.00	25.00

Proposed CL Cap Revenue		1,263,003,508	1,263,179,877	(176,370)	

	1993 MLB demand	AT&T prior proposed MLB	AT&T prior prop. MLB revenue	1993 Res/SLB demand	AT&T prior prop. Res/SLB	AT&T prior prop. Res/SLB revenue
DC	6,411,996	2.58	16,539,536	3,443,976	2.58	8,883,625
MD	10,780,224	5.29	57,026,565	24,535,272	3.50	85,873,452
VA	10,655,472	5.56	59,265,492	22,261,332	3.50	77,914,662
WV	1,511,616	6.00	9,069,696	6,826,632	3.50	23,893,212
DE	1,542,516	5.65	8,719,321	3,697,776	3.50	12,942,216
NJ	17,161,488	5.02	86,114,128	42,672,504	3.50	149,353,764
PA	17,721,000	5.40	95,706,876	45,977,100	3.50	160,919,850
TOTAL	65,784,312		332,441,615	149,414,592		519,780,781
Comp. Rates		5.05350903			3.478781917	

		proposed	BA Revenue	AT&T EUCL adj (page 5)	AT&T adj. adj proposed	AT&T adj prop. Revenues
DC	6,411,996	2.53	16,222,350	6.08%	2.68	17,209,261
MD	10,780,224	5.16	55,625,956	6.08%	5.47	59,010,044
VA	10,655,472	5.96	63,506,613	6.08%	6.00	63,932,832
WV	1,511,616	6.00	9,069,696		6.00	9,069,696
DE	1,542,516	5.55	8,560,964	6.08%	5.89	9,081,783
NJ	17,161,488	4.82	82,718,372	6.08%	5.11	87,750,669
PA	17,721,000	5.27	93,389,670	6.08%	5.59	99,071,171
TOTAL	65,784,312		329,093,621			345,125,456
Comp. Rates		5.002615529			5.246318539	

	1993 Res/SLB demand					
DC	3,443,976	2.53	8,713,259	6.08%	2.68	9,243,343
MD	24,535,272	3.50	85,873,452		3.50	85,873,452
VA	22,261,332	3.50	77,914,662		3.50	77,914,662
WV	6,826,632	3.50	23,893,212		3.50	23,893,212
DE	3,697,776	3.50	12,942,216		3.50	12,942,216
NJ	42,672,504	3.50	149,353,764		3.50	149,353,764
PA	45,977,100	3.50	160,919,850		3.50	160,919,850
TOTAL	149,414,592		519,610,415			520,140,499
Comp. Rates		3.477641697			3.481189438	

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EXHIBIT B1
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	CALCULATION OF CARRIER COMMON LINE RATE CAP	BA South 1995 Annual Filing Trans No. 806 (A)	1995 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU	27,557,150,165	27,557,150,165	
110	Term CCL Non-Prem MOU	4,523,254	4,523,254	
120	Chargeable Term CCL Prem MOU	27,559,185,629	27,559,185,629	
130	Originating CCL Prem MOU	30,037,265,064	30,037,265,064	
140	Originating CCL NonPrem MOU	1,014,313	1,014,313	
150	Chargeable Originating CCL Prem MOU	30,037,721,505	30,037,721,505	
160	Term CCL Prem Capped Rates at last PCI	0.008298	0.007964	
170	Orig CCL Prem Capped Rates at last PCI	0.008298	0.007964	
180	Multiline Business EUCL lines	69,431,328	69,431,328	
190	Res & Single Business EUCL lines	151,611,008	152,204,880	
200	Lifeline Lines	593,872	0	
210	Special Access Surcharge Lines	290,664	290,664	
220	Multiline Bus EUCL Rates at last PCI update	5.015059	5.258991	
230	Res & Single Bus EUCL lines at last PCI	3.479180	3.481272	
240	Lineline Rates at last PCI update	3.110182	0.000000	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues	0	0	
260	CL Revenue at Capped t-1 Rates	1,362,736,979	1,360,973,719	1,763,260
270	CCL Revenue at Capped t-1 Rates	1,362,736,979	1,360,973,719	
280	CCL MOU for base year	57,599,952,796	57,599,952,796	
290	Cl. Rev/MOU t-1	0.023659	0.023628	
300	CL PCI(t)	78.88%	78.88%	
310	CL PCI(t-1)	88.72%	88.72%	
320	1 + % Change CL PCI	0.889150	0.889150	
330	CL Rev/MOU(t)	0.021036	0.021009	
340	Base Demand * Proposed SLCs	898,861,767	893,129,508	
350	CCL MOU for Base Year	57,599,952,796	57,599,952,796	
360	1 + g/2	1.017050	1.017050	
370	SLC REV/MOU(t)	0.015344	0.015246	
380	CCL Rev/MOU(t)	0.005692	0.005763	
390	CCL MOU for Base Year	57,599,952,796	57,599,952,796	
400	CCL Rev at CCL Rev/MOU(t)	327,884,490	331,952,850	
410	Chargeable Origin MOU	30,037,721,505	30,037,721,505	
420	Originating CCL Rev (rate = .01)	300,377,215	300,377,215	
430	Residual CCL Rev	27,507,275	31,575,635	
440	Chargeable Terminating MOU	27,559,185,629	27,559,185,629	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig= 01)	0.000998	0.001146	
460	Total Chargeable MOU	57,596,907,134	57,596,907,134	
470	Hypothetical Prem Term Rate Cap#2(if #1< 01)	0.005693	0.005763	
480	Premium Terminating Rate Cap	0.005693	0.005763	
	1996			
INPUT FOR LINE 340	220	5.23975300	5.15890710	
	230	3.46973565	3.46686083	
	240	2.93335699	0.00000000	
	250	25.00	25.00	
	Proposed CL Cap Revenue	1,226,760,959	1,225,060,483	1,700,476

	1994 MLB demand	AT&T prior proposed MLB	AT&T prior prop. MLB revenue	1994 Res/SLB demand	AT&T prior prop. Res/SLB	AT&T prior prop. Res/SLB revenue
DC	6,465,396	2.68	17,352,582	3,492,852	2.68	9,374,523
MD	11,395,332	5.47	62,377,094	25,070,412	3.50	87,746,442
VA	11,329,536	6.00	67,977,216	22,874,916	3.50	80,062,206
WV	1,622,304	6.00	9,733,824	6,911,292	3.50	24,189,522
DE	1,631,760	5.89	9,607,220	3,798,288	3.50	13,294,008
NJ	18,201,648	5.11	93,069,248	43,514,280	3.50	152,299,980
PA	18,785,352	5.59	105,021,546	46,542,840	3.50	162,899,940
TOTAL	69,431,328		365,138,730	152,204,880		529,866,621
Comp. Rates		5.25899101			3.481272221	

		proposed	BA Revenues	AT&T EUCL adj (page 5)	AT&T adj. adj proposed	AT&T adj proposed MLB
DC	6,465,396	2.09	13,512,678	-1.63%	2.06	13,292,362
MD	11,395,332	5.49	62,560,373	-1.63%	5.40	61,540,367
VA	11,329,536	5.93	67,184,148	-1.63%	5.83	66,088,755
WV	1,622,304	6.00	9,733,824		6.00	9,733,824
DE	1,631,760	6.00	9,790,560		6.00	9,790,560
NJ	18,201,648	5.44	99,016,965	-1.63%	5.35	97,402,558
PA	18,785,352	5.43	102,004,461	-1.63%	5.34	100,341,345
TOTAL	69,431,328		363,803,009			358,189,771
Comp. Rates		5.239753001			5.158907098	

	1994 Res/SLB demand					
DC	3,492,852	2.09	7,300,061	-1.63%	2.06	7,181,038
MD	25,070,412	3.50	87,746,442		3.50	87,746,442
VA	22,874,916	3.50	80,062,206		3.50	80,062,206
WV	6,911,292	3.50	24,189,522		3.50	24,189,522
DE	3,798,288	3.50	13,294,008		3.50	13,294,008
NJ	43,514,280	3.50	152,299,980		3.50	152,299,980
PA	46,542,840	3.50	162,899,940		3.50	162,899,940
TOTAL	152,204,880		527,792,159			527,673,136
Comp. Rates		3.467642816			3.466860826	

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EXHIBIT B1
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	CALCULATION OF CARRIER COMMON LINE RATE CAP	BA South 1996 Annual Filing Trans No. 890 (A)	1996 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU	28,817,798,459	28,817,798,459	
110	Term CCL Non-Prem MOU	2,824,451	2,824,451	
120	Chargeable Term CCL Prem MOU	28,819,069,462	28,819,069,462	
130	Originating CCL Prem MOU	32,801,310,600	32,801,310,600	
140	Originating CCL NonPrem MOU	881,082	881,082	
150	Chargeable Originating CCL Prem MOU	32,801,707,087	32,801,707,087	
160	Term CCL Prem Capped Rates at last PCI	0.005708	0.005778	
170	Orig CCL Prem Capped Rates at last PCI	0.005708	0.005778	
180	Multiline Business EUCL lines	73,564,140	73,564,140	
190	Res & Single Business EUCL lines	155,721,396	156,028,080	
200	Lifeline Lines	306,684	306,684	
210	Special Access Surcharge Lines	270,384	270,384	
220	Multiline Bus EUCL Rates at last PCI update	5.249750	5.168797	
230	Res & Single Bus EUCL Rates at last PCI	3.469163	3.467350	
240	Lineline Rates at last PCI update	2.938692	2.938692	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues	0	0	
260	CL Revenue at Capped t-1 Rates	1,285,808,492	1,284,947,716	860,776
270	CCL Revenue at Capped t-1 Rates	1,285,808,492	1,284,947,716	
280	CCL MOU for base year	61,622,814,592	61,622,814,592	
290	CL Rev/MOU t-1	0.020866	0.020852	
300	CL PCI(t)	77.79%	77.79%	
310	CL PCI(t-1)	78.95%	78.95%	
320	1 + % Change CL PCI	0.985308	0.985308	
330	CL Rev/MOU(t)	0.020559	0.020545	
340	Base Demand * Proposed SLCs	940,521,471	932,805,770	
350	CCL MOU for Base Year	61,622,814,592	61,622,814,592	
360	1 + g/2	1.016400	1.016400	
370	SLC REV/MOU(t)	0.015016	0.014893	
380	CCL Rev/MOU(t)	0.005543	0.005652	
390	CCL MOU for Base Year	61,622,814,592	61,622,814,592	
400	CCL Rev at CCL Rev/MOU(t)	341,571,594	348,314,669	
410	Chargeable Origin MOU	32,801,707,087	32,801,707,087	
420	Originating CCL Rev (rate = .01)	328,017,071	328,017,071	
430	Residual CCL Rev	13,554,523	20,297,598	
440	Chargeable Terminating MOU	28,819,069,462	28,819,069,462	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.000470	0.000704	
460	Total Chargeable MOU	61,620,776,549	61,620,776,549	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)	0.005543	0.005653	
480	Premium Terminating Rate Cap	0.005543	0.005653	
		1997		
INPUT FOR LINE 340		220	5.29640513	5.19403593
		230	3.48797138	3.48624032
		240	3.21050200	0.00000000
		250	25.00	25.00
	Proposed CL Cap Revenue		1,282,085,435	1,281,148,020	937,415

	1995 MLB demand	AT&T prior proposed MLB	AT&T prior prop. MLB revenue	1995 Res/SLB demand	AT&T prior prop. Res/SLB	AT&T prior prop. Res/SLB revenue
DC	6,643,008	2.06	13,657,519	3,527,748	2.06	7,252,781
MD	12,020,712	5.40	64,917,724	25,893,468	3.50	90,627,138
VA	12,046,608	5.83	70,271,662	23,664,744	3.50	82,826,604
WV	1,725,324	6.00	10,351,944	7,051,716	3.50	24,681,006
DE	1,764,084	6.00	10,584,504	3,916,236	3.50	13,706,826
NJ	19,420,896	5.35	103,927,125	44,613,888	3.50	156,148,608
PA	19,943,508	5.34	106,527,598	47,360,280	3.50	165,760,980
TOTAL	73,564,140		380,238,076	156,028,080		541,003,943
Comp. Rates		5.16879659			3.467349874	

		proposed	BA Revenues	AT&T EUCL adj (page 5)	AT&T adj. adj proposed	AT&T adj proposed MLB
DC	6,643,008	2.95	19,596,874	-1.99%	2.89	19,207,766
MD	12,020,712	5.72	68,758,473	-1.99%	5.61	67,393,232
VA	12,046,608	5.92	71,315,919	-1.99%	5.80	69,899,899
WV	1,725,324	6.00	10,351,944		6.00	10,351,944
DE	1,764,084	5.91	10,425,736	-1.99%	5.79	10,218,727
NJ	19,420,896	5.02	97,492,898	-1.99%	4.92	95,557,118
PA	19,943,508	5.60	111,683,645	-1.99%	5.49	109,466,100
TOTAL	73,564,140		389,625,489			382,094,787
Comp. Rates		5.296405134			5.194035934	

	1995 Res/SLB demand					
DC	3,527,748	2.95	10,406,857	-1.99%	2.89	10,200,222
MD	25,893,468	3.50	90,627,138		3.50	90,627,138
VA	23,664,744	3.50	82,826,604		3.50	82,826,604
WV	7,051,716	3.50	24,681,006		3.50	24,681,006
DE	3,916,236	3.50	13,706,826		3.50	13,706,826
NJ	44,613,888	3.50	156,148,608		3.50	156,148,608
PA	47,360,280	3.50	165,760,980		3.50	165,760,980
TOTAL	156,028,080		544,158,019			543,951,384
Comp. Rates		3.487564665			3.486240325	

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EXHIBIT B1
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	CALCULATION OF CARRIER COMMON LINE RATE CAP	BA South 1997 Annual Filing Trans No. 977 (A)	1997 AF with Actual BFP EUCL (B)	(C) = (A) - (B)
100	Terminating CCL Prem MOU	43,657,059,290	43,657,059,290	
110	Term CCL Non-Prem MOU	2,021,920	2,021,920	
120	Chargeable Term CCL Prem MOU	43,657,969,154	43,657,969,154	
130	Originating CCL Prem MOU	23,188,256,482	23,188,256,482	
140	Originating CCL NonPrem MOU	837,556	837,556	
150	Chargeable Originating CCL Prem MOU	23,188,633,382	23,188,633,382	
160	Term CCL Prem Capped Rates at last PCI	0.004590	0.004676	
170	Orig CCL Prem Capped Rates at last PCI	0.004590	0.004676	
180	Multiline Business EUCL lines	80,648,352	80,648,352	
190	Res & Single Business EUCL lines	158,944,746	159,278,484	
200	Lifeline Lines	333,738	0	
210	Special Access Surcharge Lines	250,452	250,452	
220	Multiline Bus EUCL Rates at last PCI update	5.304344	5.201943	
230	Res & Single Bus EUCL Rates at last PCI	3.488492	3.486594	
240	Lineline Rates at last PCI update	3.198260	0.000000	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues	0	0	
260	CL Revenue at Capped t-1 Rates	1,296,418,630	1,293,702,979	2,715,651
270	CCL Revenue at Capped t-1 Rates	1,296,418,630	1,293,702,979	
280	CCL MOU for base year	66,848,475,247	66,848,475,247	
290	CL Rev/MOU t-1	0.019393	0.019353	
300	CL PCI(t)	72.90%	72.90%	
310	CL PCI(t-1)	74.65%	74.65%	
320	1 + % Change CL PCI	0.976517	0.976517	
330	CL Rev/MOU(t)	0.018938	0.018898	
340	Base Demand * Proposed SLCs	978,991,086	978,991,086	
350	CCL MOU for Base Year	66,848,175,248	66,848,175,248	
360	1 + g/2	1.000000	1.000000	
370	SLC REV/MOU(t)	0.014645	0.014645	
380	CCL Rev/MOU(t)	0.004293	0.004253	
390	CCL MOU for Base Year	66,848,175,248	66,848,175,248	
400	CCL Rev at CCL Rev/MOU(t)	286,978,064	284,326,197	
410	Chargeable Origin MOU	23,188,633,382	23,188,633,382	
420	Originating CCL Rev (rate = .01)	231,886,334	231,886,334	
430	Residual CCL Rev	55,091,730	52,439,863	
440	Chargeable Terminating MOU	43,657,969,154	43,657,969,154	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.001262	0.001201	
460	Total Chargeable MOU	66,846,602,536	66,846,602,536	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)	0.004293	0.004253	
480	Premium Terminating Rate Cap	0.004293	0.004253	
INPUT FOR LINE 340		5.19290024	5.19290024	
		3.47867691	3.47775120	
		3.03687971	0.00000000	
		25.00	25.00	
	Proposed CL Cap Revenue	1,265,963,551	1,263,289,686	2,673,865

	1996 MLB demand	AT&T prior proposed MLB	AT&T prior prop. MLB revenue	1996 Res/SLB demand	AT&T prior prop. Res/SLB	AT&T prior prop. Res/SLB revenue
DC - MLB/Centrex	6,947,184	2.89	20,087,268	3,508,668	2.89	10,145,054
MD - MLB/Centrex	13,010,484	5.61	72,942,316	26,601,948	3.50	93,106,818
VA - MLB/Centrex	13,306,440	5.80	77,210,018	24,169,704	3.50	84,593,964
WV - MLB/Centrex	1,975,932	6.00	11,855,592	7,104,216	3.50	24,864,756
DE - MLB/Centrex	1,948,404	5.79	11,286,429	4,044,240	3.50	14,154,840
NJ - MLB/Centrex	21,775,968	4.92	107,144,838	45,522,636	3.50	159,329,226
PA - MLB/Centrex	21,620,592	5.49	118,671,293	48,327,072	3.50	169,144,752
DC - - ISDN PRI	6,192	2.89	17,904	159,278,484		555,339,410
MD - - ISDN PRI	15,072	5.61	84,500		3.48659402	
VA - - ISDN PRI	16,008	5.80	92,886			
WV - - ISDN PRI	1,164	6.00	6,984			
DE - - ISDN PRI	1,044	5.79	6,048			
NJ - - ISDN PRI	15,708	4.92	77,288			
PA - - ISDN PRI	8,160	5.49	44,789			
TOTAL	80,648,352		419,528,151			
Comp. Rate		5.20194326				

	1996 Res/SLB demand	proposed	
DC	3,508,668	2.49	8,736,583
MD	26,601,948	3.50	93,106,818
VA	24,169,704	3.50	84,593,964
WV	7,104,216	3.50	24,864,756
DE	4,044,240	3.50	14,154,840
NJ	45,522,636	3.50	159,329,226
PA	48,327,072	3.50	169,144,752
TOTAL	159,278,484		553,930,939
Comp. Rate		3.47775120	

BELL ATLANTIC SOUTH

EXHIBIT B1
Page 2

CCL RATE TRUE-UP CHART

	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998
Proposed CCL Rate Cap	0.009738	0.008246	0.009200	0.007520	0.005693	0.005543	0.004293
Actual CCL Rate Cap *	0.009845	0.008134	0.009226	0.008298	0.005708	0.004590	N/A
True-Up Factor	1.010988	0.986418	1.002826	1.103457	1.002635	0.862210 **	N/A
Recalculated CCL Rate Cap	0.009381	0.007972	0.009152	0.007217	0.005763	0.005653	0.004253
Recalculated CCL Rate Cap with True-Up	0.009484	0.007864	0.009178	0.007964	0.005778	0.004676 ***	N/A

* Actual CCL Rate Cap Source: Bell Atlantic, CCL-1, Line 160
** Page 2 Supplemental, Line 12
*** Page 2 Supplemental, Line 15

BELL ATLANTIC SOUTH

EXHIBIT B1
Page 2 Supplemental

Calculation of 1996/1997 True-Up Factor Without Payphone

		1996/1997 (A)	1995 Chargeable MOU (B)	CCL Revenue (C) = (A) * (B)
1	1996 Actual Proposed CCL Rate Cap	0.005543	61,620,776,549	341,563,964
2	Actual CCL Rate Cap (t-1 1997)	0.004590	61,620,776,549	282,839,364
3	Difference			(58,724,600)
4	Payphone EUCL Revenue Change			11,660,552
5	Rate Change Due to Filings (excluding Payphone)			(47,064,048)
6	Change in CCL Rate Due to Payphone			0.000189
7	Actual CCL Rate Cap (excluding Payphone)			0.004779
8	True-Up Factor			0.8622

		1995 Additional Payphone Demand (A)	BA SLC Rates (B)	BA Increase in SLC Revenue (C) = (A) * (B)	AT&T Change In SLC Rate (D)	AT&T Increase in SCL Revenue (E) = (A) * (D)
9a	DC - Res/SLB	(1,258)	2.95	(44,533)	2.89	(43,649)
9b	MD - Res/SLB	(3,938)	3.50	(165,396)	3.50	(165,396)
9c	VA - Res/SLB	(3,949)	3.50	(165,858)	3.50	(165,858)
9d	WV - Res/SLB	(1,134)	3.50	(47,628)	3.50	(47,628)
9e	DE - Res/SLB	(723)	3.50	(30,366)	3.50	(30,366)
9f	NJ - Res/SLB	(15,177)	3.50	(637,434)	3.50	(637,434)
9g	PA - Res/SLB	(14,330)	3.50	(601,860)	3.50	(601,860)
9h	DC - MLB	8,041	2.95	284,651	2.89	278,999
9i	MD - MLB	31,588	5.72	2,168,200	5.61	2,125,149
9j	VA - MLB	29,825	5.92	2,118,768	5.80	2,076,699
9k	WV - MLB	8,938	6.00	643,536	6.00	643,536
9l	DE - MLB	4,771	5.91	338,359	5.79	331,641
9m	NJ - MLB	69,497	5.02	4,186,499	4.92	4,103,374
9n	PA - MLB	53,774	5.60	3,613,613	5.49	3,541,862
9	Total Additional Payphone Revenue			11,660,552		11,409,070
10	AT&T Calculated Payphone CCL Adjustment					0.000185
						(Ln 9, col E / Ln 1, col B)
11	1996 AT&T Calcuated Proposed CCL Rate Cap		0.005638			
12	True-Up Factor (Ln 8)		0.8622			
13	AT&T Calculated CCL Rate Cap with True-Up (Ln 11 * Ln 13)		0.004861			
14	AT&T Calculated Payphone CCL Adjustment (Ln 10)		0.000185			
15	AT&T Calculated CCL Rate Cap with True-Up (Ln 13 - Ln 14)		0.004676			

BELL ATLANTIC SOUTH

EXHIBIT B1
Page 3

CALCULATION OF EUCL CHANGE FOR CCL RATE DEVELOPMENT

	Tariff Period					
	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997
Actual per Line EUCL Calculated *	4.44	4.64	5.30	5.58	5.43	5.43
Forecasted per Line EUCL Calculated *	4.14	4.40	5.26	5.26	5.52	5.54
Percent Under Forecast	7.25%	5.45%	0.76%	6.08%	-1.63%	-1.99%
EUCL Used for CCL Rate ** Development	3.9591246	4.1729905	5.0027276	5.0026155	5.239753	5.29640513
Adjusted EUCL Used By AT&T for CCL Rate Development ***	4.236593	4.3858275	5.0397513	5.2463185	5.1589071	5.19403593

* See FCC 97-403, Memorandum Opinion and Order, Table 1

** See Bell Atlantic South, Exhibit B1, Page 1a-1g, Line 220, Column A

*** See Bell Atlantic South, Exhibit B1, Page 1a-1g. Calculated using percent change Total Company EUCL applied to per COSA rates, multiplied by (percent COSA line volumes to total line volumes); determined using 1991-1996 Annual Filings.

BELL ATLANTIC SOUTH **EXHIBIT B1**

Footnotes

Page	Line	Column	Note:
1b to 1g	220, 230	B	Reflects change in base period demand. (Calculation displayed on each page.)
1g	160	B	True-up factor and AT&T (t-1) proposed CCL rate adjusted to reflect impact of imputed MLB revenues for the Payphone filing. (Calculation details shown on Bell Atlantic South, Exhibit B1, Page 2 Supplemental.)

BELL ATLANTIC NORTH

EXHIBIT B1

			NYNEX 1991 Annual Filing Trans No. 24 (A)	1991 AF with Actual BFP EUCL (B)		
100	Terminating CCL Prem MOU		20,407,730,465	20,407,730,465		
110	Term CCL Non-Prem MOU		276,351,627	276,351,627		
120	Chargeable Term CCL Prem MOU		20,532,088,697	20,532,088,697		
130	Originating CCL Prem MOU		17,872,278,465	17,872,278,465		
140	Originating CCL NonPrem MOU		33,953,595	33,953,595		
150	Chargeable Originating CCL Prem MOU		17,887,557,583	17,887,557,583		
160	Term CCL Prem Capped Rates at last PCI		0.008181	0.008181		
170	Orig CCL Prem Capped Rates at last PCI		0.008181	0.008181		
180	Multiline Business EUCL lines		43,200,066	43,200,066		
190	Res & Single Business EUCL lines		125,333,113	125,333,113		
200	Lifeline Lines		5,042,851	5,042,851		
210	Special Access Surcharge Lines		257,547	257,547		
220	Multiline Bus EUCL Rates at last PCI update		5.498091	5.498091		
230	Res & Single Bus EUCL lines at last PCI		3.50	3.50		
240	Lineline Rates at last PCI update		3.50	3.50		
250	Sp. Acc. Srch. at last PCI update		25	25		
255	Other CCL Revenues		0	0	NYNEX - AT&T	
260	CL Revenue at Capped t-1 Rates		1,014,579,617	1,014,579,617	0	
270	CCL Revenue at Capped t-1 Rates		1,014,579,617	1,014,579,617		
280	CCL MOU for base year		38,590,314,152	38,590,314,152		
290	CL Rev/MOU t-1		0.026291	0.026291		
300	CL PCI(t)*		94.1600%	94.1600%		
310	CL PCI(t-1)*		99.9000%	99.9000%		
320	1 + % Change CL PCI		0.942543	0.942543		
330	CL Rev/MOU(t)		0.024780	0.024780		
340	Base Demand * Proposed SLCs		692,110,376	704,821,800		
350	CCL MOU for Base Year		38,590,314,152	38,590,314,152		
360	1 + g/2*		1.028000	1.028000		
370	SLC REV/MOU(t)		0.017446	0.017767		
380	CCL Rev/MOU(t)		0.007334	0.007014		
390	CCL MOU for Base Year		38,590,314,152	38,590,314,152		
400	CCL Rev at CCL Rev/MOU(t)		283,025,332	270,660,133		
410	Chargeable Origin MOU		17,887,557,582	17,887,557,582		
420	Originating CCL Rev (rate = .01)		178,875,576	178,875,576		
430	Residual CCL Rev		104,149,756	91,784,558		
440	Chargeable Terminating MOU		20,532,088,697	20,532,088,697		
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)		0.005073	0.004470		
460	Total Chargeable MOU		38,419,646,279	38,419,646,279		
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)		0.007367	0.007045		
480	Premium Terminating Rate Cap		0.007367	0.007045		
INPUT FOR LINE 340		220	5.309155	5.603400		
		230	3.50	3.50		
	* unified indices from Trans. No. 69	240	3.50	3.50		
		250	25.00	25.00	NYNEX - AT&T	
	Total CL Basket Proposed Revenues		975,135,708	975,481,933	(346,226)	
			NYNEX	AT&T	AT&T EUCL	AT&T adj
	1990 MLB demand	proposed	MLB revenue	MLB revenue	adj (page 5)	proposed
	1,073,512	6	6,441,072	6,441,072	8.13%	6
	9,588,578	4.08	39,121,398	42,301,398	8.13%	4.411645
	1,321,539	6	7,929,234	7,929,234	8.13%	6
	1,190,041	4.07	4,843,467	5,237,170	8.13%	4.400832
	549,878	6	3,299,268	3,299,268	8.13%	6
	29,476,518	5.69	167,721,387	176,859,108	8.13%	6
	43,200,066		229,355,827	242,067,251		
		5.309155				5.603400

		NYNEX 1992 Annual Filing Trans No. 100 (A)	1992 AF with Actual BFP EUCL (B)	
100	Terminating CCL Prem MOU	21,700,340,505	21,700,340,505	
110	Term CCL Non-Prem MOU	150,779,792	150,779,792	
120	Chargeable Term CCL Prem MOU	21,768,191,411	21,768,191,411	
130	Originating CCL Prem MOU	18,593,942,024	18,593,942,024	
140	Originating CCL NonPrem MOU	16,554,127	16,554,127	
150	Chargeable Originating CCL Prem MOU	18,601,391,381	18,601,391,381	
160	Term CCL Prem Capped Rates at last PCI	0.007075	0.006766	
170	Orig CCL Prem Capped Rates at last PCI	0.007075	0.006766	
180	Multiline Business EUCL lines	43,977,483	43,977,483	
190	Res & Single Business EUCL lines	125,343,198	125,343,198	
200	Lifeline Lines	6,818,125	6,818,125	
210	Special Access Surcharge Lines	193,664	193,664	
220	Multiline Bus EUCL Rates at last PCI update	5.158392	5.444699	
230	Res & Single Bus EUCL lines at last PCI	3.50	3.50	
240	Lineline Rates at last PCI update	3.50	3.50	
250	Sp. Acc. Srch. at last PCI update	25	25	
255	Other CCL Revenues (GIT)	31,544,000	31,544,000	NYNEX - AT&T
260	CL Revenue at Capped t-1 Rates	1,011,418,115	1,011,534,991	(116,877)
270	CCL Revenue at Capped t-1 Rates	1,011,418,115	1,011,534,991	
280	CCL MOU for base year	40,461,616,448	40,461,616,448	
290	CL Rev/MOU t-1	0.024997	0.025000	
300	CL PCI(t)	92.6409%	92.6409%	
310	CL PCI(t-1)	95.5293%	95.5293%	
320	1 + % Change CL PCI	0.969764	0.969764	
330	CL Rev/MOU(t)	0.024241	0.024244	
340	Base Demand * Proposed SLCs + GIT	716,167,032	735,633,697	
350	CCL MOU for Base Year	40,461,616,448	40,461,616,448	
360	1 + g/2	1.016618	1.016618	
370	SLC REV/MOU(t)	0.017411	0.017884	
380	CCL Rev/MOU(t)	0.006831	0.006360	
390	CCL MOU for Base Year	40,461,616,448	40,461,616,448	
400	CCL Rev at CCL Rev/MOU(t)	276,376,819	257,341,706	
410	Chargeable Origin MOU	18,601,391,381	18,601,391,381	
420	Originating CCL Rev (rate = .01)	186,013,914	186,013,914	
430	Residual CCL Rev	90,362,905	71,327,793	
440	Chargeable Terminating MOU	21,768,191,411	21,768,191,411	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.004151	0.003277	
460	Total Chargeable MOU	40,369,582,792	40,369,582,792	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)	0.006846	0.006375	
480	Premium Terminating Rate Cap	0.006846	0.006375	
INPUT FOR LINE 340 (RTE-1, line 100, col. D)	220	4.977490	5.420141	
	230	3.50	3.50	
	240	3.50	3.50	
	250	25.00	25.00	NYNEX - AT&T
Total CL Basket Proposed Revenues		992,543,851	992,975,403	(431,552)

1991 MLB demand	existing	NYNEX MLB revenue	AT&T MLB revenue	AT&T prior proposed	NYNEX prior proposed	EUCL True-up factor	AT&T adj existing
1,125,119	6	6,750,714	6,750,714	6	6	1	6
10,015,667	4.08	40,863,921	44,185,563	4.411645	4.08	1	4.411645
1,337,035	6	8,022,210	8,022,210	6	6	1	6
1,209,312	4.07	4,921,900	5,321,979	4.400832	4.07	1	4.400832
583,121	6	3,498,726	3,498,726	6	6	1	6
29,707,229	5.48	162,795,615	171,664,972	6	5.69	0.963093	5.778559
43,977,483		226,853,086	239,444,164				
	5.158392						5.444699

	proposed	NYNEX MLB revenue	AT&T MLB revenue	AT&T EUCL adj (page 5)	AT&T adj proposed
1,125,119	6	6,750,714	6,750,714	9.70%	6
10,015,667	4.25	42,566,585	46,696,808	9.70%	4.662376
1,337,035	6	8,022,210	8,022,210	9.70%	6
1,209,312	4.19	5,067,017	5,558,668	9.70%	4.596554
583,121	6	3,498,726	3,498,726	9.70%	6
29,707,229	5.15	152,992,229	167,837,020	9.70%	5.649703
43,977,483		218,897,481	238,364,146		
	4.977490				5.420141

			NYNEX 1993 Annual Filing Trans No. 201 (A)	1993 AF with Actual BFP EUCL (B)	
100	Terminating CCL Prem MOU		23,581,341,662	23,581,341,662	
110	Term CCL Non-Prem MOU		85,958,148	85,958,148	
120	Chargeable Term CCL Prem MOU		23,620,022,829	23,620,022,829	
130	Originating CCL Prem MOU		18,895,457,343	18,895,457,343	
140	Originating CCL NonPrem MOU		10,848,771	10,848,771	
150	Chargeable Originating CCL Prem MOU		18,900,339,290	18,900,339,290	
160	Term CCL Prem Capped Rates at last PCI		0.006850	0.006378	
170	Orig CCL Prem Capped Rates at last PCI		0.006850	0.006378	
180	Multiline Business EUCL lines		45,980,365	45,980,365	
190	Res & Single Business EUCL lines		123,474,667	123,474,667	
200	Lifeline Lines		7,975,484	7,975,484	
210	Special Access Surcharge Lines		156,239	156,239	
220	Multiline Bus EUCL Rates at last PCI update		4.975535	5.416643	
230	Res & Single Bus EUCL lines at last PCI		3.50	3.50	
240	Lineline Rates at last PCI update		3.50	3.50	
250	Sp. Acc. Srch. at last PCI update		25	25	
255	Other CCL Revenues		29,756,874	29,756,874	NYNEX - AT&T
260	CL Revenue at Capped t-1 Rates		1,013,779,773	1,013,992,477	(212,704)
270	CCL Revenue at Capped t-1 Rates		1,013,779,773	1,013,992,477	
280	CCL MOU for base year		42,573,605,924	42,573,605,924	
290	CL Rev/MOU t-1		0.023812	0.023817	
300	CL PCI(t)		87.7593%	87.7593%	
310	CL PCI(t-1)		92.6300%	92.6300%	
320	1 + % Change CL PCI		0.947418	0.947418	
330	CL Rev/MOU(t)		0.022560	0.022565	
340	Base Demand * Proposed SLCs		720,610,663	757,065,126	
350	CCL MOU for Base Year		42,573,605,924	42,573,605,924	
360	1 + g/2		1.022269	1.022269	
370	SLC REV/MOU(t)		0.016558	0.017395	
380	CCL Rev/MOU(t)		0.006003	0.005170	
390	CCL MOU for Base Year		42,573,605,924	42,573,605,924	
400	CCL Rev at CCL Rev/MOU(t)		255,559,928	220,101,105	
410	Chargeable Origin MOU		18,900,339,290	18,900,339,290	
420	Originating CCL Rev (rate = .01)		189,003,393	189,003,393	
430	Residual CCL Rev		66,556,535	31,097,712	
440	Chargeable Terminating MOU		23,620,022,829	23,620,022,829	
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)		0.002818	0.001317	
460	Total Chargeable MOU		42,520,362,119	42,520,362,119	
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)		0.006010	0.005176	
480	Premium Terminating Rate Cap		0.006010	0.005176	
INPUT FOR LINE 340 (RTE-1, line 100, col. D)		220	4.934112	5.726939	
		230	3.50	3.50	
		240	3.50	3.50	
		250	25.00	25.00	NYNEX - AT&T
	Total CL Basket Proposed Revenues		976,170,591	977,166,230	(995,639)

1992 MLB demand	existing	NYNEX MLB revenue	AT&T MLB revenue	AT&T prior proposed	NYNEX prior proposed	EUCL True-up factor	AT&T adj existing
1,192,224	6	7,153,344	7,153,344	6	6	1	6
10,641,149	4.25	45,224,883	49,613,040	4.662376	4.25	1	4.662376
1,464,230	6	8,785,380	8,785,380	6	6	1	6
1,293,866	4.19	5,421,299	5,947,326	4.596554	4.19	1	4.596554
634,322	6	3,805,932	3,805,932	6	6	1	6
30,754,574	5.15	158,386,056	173,754,208	5.649703	5.15	1	5.649703
45,980,365		228,776,894	249,059,230				
	4.975535						5.416643

	7/1/93 proposed	NYNEX MLB revenue	AT&T MLB revenue	AT&T EUCL adj (page 5)	AT&T adj proposed
1,192,224	6	7,153,344	7,153,344	17.60%	6
10,641,149	4.44	47,246,702	55,562,121	17.60%	5.221440
1,464,230	6	8,785,380	8,785,380	17.60%	6
1,293,866	3.77	4,877,875	5,736,381	17.60%	4.433520
634,322	6	3,805,932	3,805,932	17.60%	6
30,754,574	5.04	155,003,053	182,283,590	17.60%	5.927040
45,980,365		226,872,285	263,326,748		
	4.934112				5.726939

			NYNEX 1993 GSF Filing Trans No. 207 (A)	1993 AF with Actual BFP EUCL (B)				
100	Terminating CCL Prem MOU		23,581,341,662	23,581,341,662				
110	Term CCL Non-Prem MOU		85,958,148	85,958,148				
120	Chargeable Term CCL Prem MOU		23,620,022,829	23,620,022,829				
130	Originating CCL Prem MOU		18,895,457,343	18,895,457,343				
140	Originating CCL NonPrem MOU		10,848,771	10,848,771				
150	Chargeable Originating CCL Prem MOU		18,900,339,290	18,900,339,290				
160	Term CCL Prem Capped Rates at last PCI		0.006011	0.005177				
170	Orig CCL Prem Capped Rates at last PCI		0.006011	0.005177				
180	Multiline Business EUCL lines		45,980,365	45,980,365				
190	Res & Single Business EUCL lines		123,474,667	123,474,667				
200	Lifeline Lines		7,975,484	7,975,484				
210	Special Access Surcharge Lines		156,239	156,239				
220	Multiline Bus EUCL Rates at last PCI update		4.934112	5.726939				
230	Res & Single Bus EUCL lines at last PCI		3.50	3.50				
240	Lineline Rates at last PCI update		3.50	3.50				
250	Sp. Acc. Srch. at last PCI update		25	25				
255	Other CCL Revenues		29,756,874	29,756,874	NYNEX - AT&T			
260	CL Revenue at Capped t-1 Rates		976,200,545	977,193,040	(992,495)			
270	CCL Revenue at Capped t-1 Rates		976,200,545	977,193,040				
280	CCL MOU for base year		42,573,605,924	42,573,605,924				
290	CL Rev/MOU t-1		0.022930	0.022953				
300	CL PCI(t)		98.9706%	98.9706%				
310	CL PCI(t-1)		87.7593%	87.7593%				
320	1 + % Change CL PCI		1.127751	1.127751				
330	CL Rev/MOU(t)		0.025859	0.025885				
340	Base Demand * Proposed SLCs + GIT		750,128,571	765,307,061				
350	CCL MOU for Base Year		42,573,605,924	42,573,605,924				
360	1 + g/2		1.000000	1.000000				
370	SLC REV/MOU(t)		0.017620	0.017976				
380	CCL Rev/MOU(t)		0.008239	0.007909				
390	CCL MOU for Base Year		42,573,605,924	42,573,605,924				
400	CCL Rev at CCL Rev/MOU(t)		350,782,143	336,722,940				
410	Chargeable Origin MOU		18,900,339,290	18,900,339,290				
420	Originating CCL Rev (rate = .01)		189,003,393	189,003,393				
430	Residual CCL Rev		161,778,750	147,719,548				
440	Chargeable Terminating MOU		23,620,022,829	23,620,022,829				
450	Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)		0.006849	0.006254				
460	Total Chargeable MOU		42,520,362,119	42,520,362,119				
470	Hypothetical Prem Term Rate Cap#2(if #1<.01)		0.008250	0.007919				
480	Premium Terminating Rate Cap		0.008250	0.007919				
INPUT FOR LINE 340 (RTE-1, line 100, col. D)		220	5.576080	5.906188				
		230	3.50	3.50				
		240	3.50	3.50				
		250	25.00	25.00	NYNEX - AT&T			
	Total CL Basket Proposed Revenues		1,100,910,714	1,102,030,002	(1,119,287)			
			NYNEX	AT&T	AT&T	NYNEX	EUCL	AT&T
	1992 MLB demand	7/1/93 existing	MLB revenue	MLB revenue	prior proposed	prior proposed	True-up factor	adj existing
	1,192,224	6	7,153,344	7,153,344	6	6	1	6
	10,641,149	4.44	47,246,702	55,562,121	5.221440	4.44	1	5.221440
	1,464,230	6	8,785,380	8,785,380	6	6	1	6
	1,293,866	3.77	4,877,875	5,736,381	4.433520	3.77	1	4.433520
	634,322	6	3,805,932	3,805,932	6	6	1	6
	30,754,574	5.04	155,003,053	182,283,590	5.927040	5.04	1	5.927040
	45,980,365		226,872,285	263,326,748				
		4.934112						5.726939
			NYNEX	AT&T	AT&T EUCL	AT&T		
		GSF proposed	MLB revenue	MLB revenue	adj (page 5)	adj proposed		
	1,192,224	6	7,153,344	7,153,344	15.49%	6		
	10,641,149	4.97	52,886,511	61,080,195	15.49%	5.740000		
	1,464,230	6	8,785,380	8,785,380	15.49%	6		
	1,293,866	4.16	5,382,483	6,216,388	15.49%	4.804507		
	634,322	6	3,805,932	3,805,932	15.49%	6		
	30,754,574	5.8	178,376,529	184,527,444	15.49%	6		
	45,980,365		256,390,178	271,568,684				
		5.576080				5.906188		