**BELLSOUTH**

**Mary L. Henze**
Executive Director
Executive and Federal Regulatory Affairs

Suite 900
1133 - 21st Street N.W.
Washington, D.C. 20036-3351
202 463-4109
Fax 202 463-4631
henze.mary@bsc.bls.com

June 4, 1999

**PLEASE DATE-STAMP AND RETURN**

Ex Parte

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RECEIVED
JUN 4 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Dkt. 98-64, CC Dkt. 98-177, CC Dkt 96-150,
CC Dkt. 98-74, and CC Dkt. 98-117

Dear Ms. Salas,

On June 3, 1999, Guy Cochran, Tim Gowins and I, representing BellSouth, met with Larry Strickling, Chief of the Commission's Common Carrier Bureau, and the following members of his staff: Bill Bailey; Ken Moran; Joanne Lucanik; and Tim Peterson.

During the meeting the BellSouth representatives proposed specific changes to Section 32.27 and Sections 64.901 - 64.904 of the Commission's rules and regulations that BellSouth believes will reduce subject carriers' administrative costs and increase their flexibility without diminishing the Commission's ability to fulfill its statutory responsibilities. In addition, BellSouth presented a proposal for streamlining the ARMIS 43-01, 02, 03 and 04 financial reports. The attached documents formed the basis for the BellSouth presentation.

As required by Section 1.1206(b) (2) of the Commission's rules, I am filing two copies of this notice for inclusion in the dockets identified above and ask that you associate this notification and the attachments with the records of each of these proceedings.

Sincerely,

Mary L. Henze

Mary L. Henze

cc: L. Strickling (w/o attachments)
B. Bailey (w/o attachments)
K. Moran (w/o attachments)
J. Lucanik (w/o attachments)
T. Peterson (w/o attachments)

# Section 32.27 and Sections 64.901-64.904
# Phase 1 Simplification Proposals
# BellSouth Telecommunications, Inc.

## I. Section 64.901 Allocation of Costs

### A. Tariffed Incidental InterLATA

The Act did not require these services to be accounted for as nonregulated. Double burden - tariff process and nonregulated treatment.

### B. Accounting for Universal Service

Part 64 does not handle the apportionment of costs between individual regulated services. Part 54 impacts Univ. Svc. Pricing and accounting rules should be worked through with other Univ. Svc. Issues.

# Section 32.27 and Sections 64.901-64.904
# Phase 1 Simplification Proposals
# BellSouth Telecommunications, Inc.

## II. Section 64.902 & Section 32.27 Transactions with affiliates

### A. Application of Rules to nonregulated operations of the carrier

Nonregulated operations are double burdened when apply both Part 64 cost apportionment and affiliate transaction rules

### B. Exception for Services provided Solely within the Corporate Family

Apply "services company" exception to all services designed solely for internal use

### C. Lower limit for application of EFMV studies

Double burden of both FDC and EFMV would not apply to de minimis items

# Section 32.27 and Sections 64.901-64.904
# Phase 1 Simplification Proposals
# BellSouth Telecommunications, Inc.

## III. Section 64.904 Independent Audits

### A. Attestation Engagement

Attestation on CAM/Rule compliance versus "testing numbers"

### B. Standards Governing Audit Engagements

Audits performed in accordance with professional standards without ASD's overlays

### C. Biennial Engagements

Independent Auditors perform compliance review every other year

# Section 32.27 and Sections 64.901-64.904
# Phase 1 Simplification Proposals
# BellSouth Telecommunications, Inc.

## IV. Section 64.903 Cost Allocation Manuals

### A. Eliminate 15 day pre-filing for Cost Pool Changes

Discontinue disclosure of competitive information in time for competitors to react

# Proposals for Phase 1 Simplification of Accounting Rules

## Section 32.27 and Sections 64.901-64.904

## I. Section 64.901 Allocation of Costs

### A. Tariffed Incidental InterLATA

Section 271(h) of the Telecommunications Act requires the Commission to ensure that the provision of incidental interLATA telecommunications services by a BOC or its affiliate "will not adversely affect telephone exchange service ratepayers or competition in any telecommunications market." In an effort to increase the regulatory safeguards in this area, CC Docket 96-150 prescribed treating incidental interLATA telecommunications services as nonregulated under the Section 64.901 rules.

The CC Docket 96-150 Order states the Part 64 rules are designed to "protect subscribers to interstate exchange and exchange access services from bearing the costs and risks of the carrier's nonregulated activities provided on an integrated basis." Further, the Order states: "We believe that this [treating incidental interLATA services as nonregulated] should sufficiently safeguard against cross-subsidization without imposing additional accounting requirements on the carriers ... such a requirement will not impose extensive expense upon incumbent local exchange carriers."

CC Docket 96-150 requirements should be revised for two primary reasons. First, unlike other services that are treated as nonregulated under the Part 64 rules, incidental interLATA services also continue to be governed by the Commission's tariff process. Accounting for incidental interLATA services as both tariffed operations and as nonregulated services serves to impose a double burden upon these competitive services. This double regulatory burden is inefficient for the carriers and counter to the goal of a level playing field and streamlined regulation set forth in the Act.
Second, treating incidental interLATA services as nonregulated is not an effective safeguard for the purposes of the Section 271(h) mandate. The Commission concluded in Docket 96-150 that "the Part 36 jurisdictional separations process and the Part 69 access charge process were not designed to prevent subsidization of competitive telecommunications services by subscribers to exchange and exchange access services." The Part 64 rules, likewise, were not designed to prevent subsidization between individual competitive telecommunications services and, as all telecommunications services have become competitive under the Telecommunication Act, Part 64 is not the appropriate part of the Commission's rules and regulations under which to handle this mandate.

As incidental interLATA telecommunications services continue to be regulated services and subject to the burdens of the tariff process, the most

effective way to assure these services "will not adversely affect telephone exchange service ratepayers or competition" is through the tariff review process.

### B. Accounting for Universal Service under Section 254(k)

In the FCC's Order dated May 8, 1997 under FCC #97-163, the Commission stated that Section 254(k) establishes two "dichotomies" that are not addressed by the existing rules. The Commission opined that additional scrutiny is needed on the allocation of costs between competitive and noncompetitive activities, both regulated and nonregulated, and on the other hand, between universal service and other services. Accordingly, the Commission found that there was no perfect fit for these new requirements and without notice and comment procedures codified the requirements of the Act within Part 64.

Because ILEC regulated as well as nonregulated services are now competitive, the word "competitive" is no longer synonymous with nonregulated operations. Accordingly, the rule implementing Section 254(k) is not appropriately placed within Part 64 of the Commission's Rules and regulations. Section 64.901 prescribes the apportionment of costs and revenues between regulated and nonregulated operations. These rules do not prescribe cost apportionment between any individual services.

The market opening requirements of the 1996 Act have rendered the concept of "non-competitive" telecommunications services obsolete. The Commission should move the codification of Section 254(k) from Part 64 to Part 54 of the Rules. The Commission has the greatest impact upon the prices for services included in the definition of Universal Service through its Universal Service Fund rules found in Part 54. Accordingly, these requirements should be moved to Section 54.7.

## II. Section 64.902 & Section 32.27 Transactions with Affiliates

### A. Application of Affiliate Transaction Rules between Nonregulated Operations of the Carrier and their Affiliates

Section 32.27(c) prescribes affiliate transaction rules for *all* transactions between a carrier and its affiliates. Hence, transactions between regulation and regulated, regulated and nonregulated, and nonregulated and nonregulated operations of the carrier are subject to the same asymmetrical accounting requirements.

Investment and expenses are assigned or apportioned to the carrier's nonregulated operations and are not included among the costs to be recovered by the carrier from regulated services. Hence, the application of Section 32.27 to transactions between a carrier's nonregulated operations and its

nonregulated affiliates gives regulated service subscribers no additional protection against their subsidizing the ILEC's nonregulated operations. There is no impact upon regulated services after apportionment is accomplished.

As stated by Arthur Andersen LLP in its report dated July 15, 1998: "Companies outside the regulated telecommunications industry typically develop transfer prices for goods and services provided to/received from affiliates on either a cost or a market price basis. ... Cost is normally determined on a "fully allocated" basis, roughly the equivalent to FDC as defined by the FCC." Accordingly, as the Arthur Andersen report states, SFAS No. 57 provides the external disclosure requirements for related party transactions.

Nonregulated, competitive service providers (e.g., CLECs, IXCs, ESPs, ISPs, answering services, cable operators, CPE providers) are not required to record their business transactions with their affiliates under the asymmetrical rules the ILECs must follow. Applying the affiliate transaction rules to nonregulated ILEC transactions with its nonregulated affiliates increases the administrative cost of the ILEC in comparison with its competitors with no concomitant benefit to its regulated service subscribers. Such an outcome is inconsistent with the intent of Congress to promote competition and reduce regulation. Affiliate transactions rules should not apply to transactions between the ILEC's nonregulated operations and its nonregulated affiliates.

## B. Exception for Services provided Solely within the Corporate Family

The Commission concluded in its Order in CC Docket 96-150 that services should "be valued at fully distributed cost" when they are "tailored to the corporate family's unique needs" and when the entity providing these services "exists solely to provide services to members of the carrier's corporate family." [paragraph 148] The Commission found "when an affiliate is established to provide services solely to the carrier's corporate family in an effort to take advantage of economies of scale and scope, the benefits of such economies of scale and scope are reflected in such affiliate's costs and are ultimately transferred to ratepayers through transactions with the carrier for such services valued at fully distributed costs. Requiring carriers to perform fair market valuations for such transactions would increase the cost to ratepayers while providing limited benefits."

This exemption currently applies on an entity-wide basis when the entire affiliate is established to provide service solely to the corporate family. The exemption should be expanded to apply to individual services provided solely within the corporate family by design, without regard to the nature of the affiliate providing the service. The design of a service to capture economies of scope and scale would benefit the ratepayer, regardless of the other operations of the affiliate providing the service. These services should be recorded at FDC.

Application of the current affiliate transaction rules to internal services has resulted in the recording of margins as revenues on services where only cost reimbursement between affiliates was intended. In addition, too often these services provided only within the corporate family have no commercial equivalent and additional costs are incurred in obtaining a fair market value for services for which there is no available vendor data (e.g., executive oversight).

### C. Threshold for Application of Estimated Fair Market Value Study

In CC Docket 96-150 the Commission revised the affiliate transaction rules to require asymmetrical treatment when there is neither a tariff rate nor the 50% prevailing price test is met. The carrier must record sales to affiliates at the higher of fully distributed cost (FDC) or estimated fair market value (EFMV) and purchases from affiliates at the lower of the affiliates' FDC or EFMV.

After two years' experience with this revision to the rules, there appears to be little, if any, ratepayer benefit derived from the ILECs being required to calculate both FDC and EFMV for affiliate transactions of de minimis value. An aggregated annual threshold of $250,000 for each service transaction per affiliate should be set for application of the EFMV standard if the computation of FDC is also required. Service transactions falling under this limit would not require both FDC and EFMV documentation, but they would be booked at FDC. (The term "transaction" refers to the total annual value of service transaction between affiliates.)

## III. Section 64.904 Independent Audits

### A. Attestation Engagement

Audits have played a significant role in the Commission's responsibility to assure compliance with their rules. Since 1988 the Commission has required incumbent LECs to engage independent auditors to assist the Commission with that responsibility. Currently the Commission requires a Financial Statement audit of the ARMIS 43-03, Joint Cost Report.

The regulatory landscape has changed since 1988. Most Tier I Carriers are under price regulation, which significantly reduces incentives for cost shifting. The Commission should recognize that these carriers are now beginning to compete with carriers that need not incur the costs of these audits and that the changes that have occurred warrant less burdensome means of achieving the Commission's enforcement responsibilities.

The audit engagement mandated under Section 64.904 should be changed to an attestation engagement. With an attestation engagement, the independent auditor performs procedures on evidence applicable to the Company's assertion that the FCC's 43-03 Report has been prepared in

accordance with the Cost Allocation Manual filed with the FCC. The attestation engagement would focus on controls, processes, and the ILEC's compliance with the CAM filed with the Commission in accordance with the Part 64 Rules (Allocation of costs, Transactions with affiliates, and Cost allocation manuals).

The Commission's regulatory oversight would continue as ILECs' controls and processes will still be examined on a regular basis. The Commission would continue to receive an independent auditor's opinion as to each ILECs' compliance with its CAM filed in accordance with the Part 64 Rules. Changing to an attestation engagement based upon compliance with the CAM rather than detailed auditing of the amounts and disclosures of the ARMIS 43-03, will make the oversight of these audits more manageable and provide the Bureau with information focusing specifically on the carrier's compliance.

## B. Standards Governing Audit Engagements

Section 64.904(a) requires an annual audit "conducted in accordance with generally accepted auditing standards, except as otherwise directed by the Chief, Common Carrier Bureau."

Given the changing regulatory landscape discussed previously, the Tier I Carriers should be under the same audit burdens as those imposed upon their competitors. Like their competitors, the Tier I Carriers have audits performed annually to satisfy the Securities and Exchange Commission (SEC) requirements. These audits are governed by the standards set by the American Institute of Certified Public Accountants (AICPA).

As with all audits performed under Generally Accepted Auditing Standards (GAAS), the auditor sets materiality limits and performs testing under the professional standards set by the AICPA. The mandatory testing of immaterial items, which can occur under existing rules, provides no ratepayer benefit and is unnecessary for an independent auditor to issue his opinion. The testing of immaterial items does, however, greatly increase the carrier's audit costs and imposes a competitive disadvantage on the carrier with no concomitant benefit to the public interest. For these reasons the Part 64 audit engagements should be conducted under GAAS as set forth by the AICPA.

## C. Biennial Engagements

Section 64.904(a) requires "an audit performed by an independent auditor on an annual basis". Converting to a biennial cycle for independent auditor engagements would not undermine the Commission's ability to monitor carrier compliance with the accounting safeguards. Recognizing this, Congress prescribed a biennial cycle in the Telecommunication Act for Section 272 compliance audits. A biennial engagement for the Part 64 audit will facilitate a possibility of alternate audit years with the 272 audits for the

BOCs and would provide a net reduction of regulatory burden for all other Tier I Carriers.

## IV. Section 64.903 Cost Allocation Manuals

### A. 15-day pre-filing Requirements for Cost Pool Changes

Section 64.903(b) requires carriers to "update their cost allocation manuals annually, except that changes to the cost apportionment table and to the description of time reporting procedures must be filed at least 15 days before the carrier plans to implement the changes." The Telecommunication Act of 1996 recommended annual CAM filings.

The 15-day special filing requirements for changes in cost pools discloses sensitive competitive service information. In contrast, competitors are never required to file in the public record estimates of cost impacts of new products and services they propose to introduce. This filing obligation imposed on Tier I carriers gives competitors prior notice of these new offerings in ample time for the competitors to react in the market. The 15-day pre-filing requirement for cost pool changes no longer serves the public interest and should be eliminated.

## Phase 1 Proposals for Simplification of Accounting Rules

## Section 32.27 and Sections 64.901-64.904

### *RULES*

Section 64.901(4)(c) ~~A telecommunications carrier may not use services that are not competitive to subsidize services subject to competition. Services included in the definition of universal service shall bear no more than a reasonable share of the joint and common costs of facilities used to provide those services.~~ MOVE TO PART 54.7

Section 32.27(c) Services provided between a carrier and its affiliate pursuant to a tariff, including a tariff filed with a state commission, shall be recorded in the appropriate revenue accounts at the tariffed rate. Non-tariffed services provided between a carrier and its affiliates pursuant to publicly-filed agreements submitted to a state commission pursuant to section 272(e) of the Communications Act of 1934 or statements of generally available terms pursuant to section 252(f) shall be recorded using the charges appearing in such publicly-filed agreements or statements. Nontariffed services provided between a carrier and its affiliate that qualify for prevailing price valuation, as defined in paragraph (d) of this section, shall be recorded at the prevailing price. ***For all services designed to be provided solely within the corporate family, the transaction will be recorded at the fully distributed cost.*** For all other services provided by a carrier***'s regulated operations*** to its affiliate, the services shall be recorded at the higher of fair market value and fully distributed cost. For all other services received by a carrier***'s regulated operations*** from its affiliate, the service shall be recorded at the lower of fair market value and fully distributed cost~~, except that services received by a carrier from its affiliate that exist solely to provide services to members of the carrier's corporate family shall be recorded at fully distributed cost.~~ For purposes of this section carriers are required to make a good faith determination of fair market value ***only for those transactions which exceed $250,000 on an annual basis.***

Section 64.903(b) Each carrier shall ensure that the information contained in its cost allocation manual is accurate. Carriers must update their cost allocation manual at least annually~~, except that changes to the cost apportionment table and to the description of time reporting procedures must be filed at least 15 days before the carrier plans to implement the changes.~~ Annual cost allocation manual updates shall be filed on or before the last working day of each calendar year. Proposed changes in the description of time reporting procedures, the statement concerning affiliate transactions, and the cost apportionment table must be accompanied by a statement quantifying the impact of each change on regulated operations. Changes in the description of time reporting procedures and the statement concerning affiliate transactions must be quantified in $100,000 increments at the account level. Changes in cost apportionment tables must be quantified in $100,000 increments at the cost pool level. The Chief, Common Carrier Bureau may suspend any such ~~charges~~ ***changes*** for a period not to exceed 180 days, and may thereafter allow the change to become effective or prescribe a different procedure.

Section 64.904(a) Each local exchange carrier required to file a cost allocation manual, by virtue of having annual operating revenues that equal or exceed the indexed revenue threshold for a given year or by order of the Commission, shall have an audit performed by an independent auditor on a~~n~~ ***biennial*** basis, with the initial audit performed in the calendar year after the carrier is first required to file a cost allocation manual. The audit shall provide a positive opinion on ***the carrier's assertion that the carrier has complied with*** ~~whether the applicable data shown in the carrier's annual report required by §43.21(e)(2) of this chapter present fairly, in all material respects, the information of the carrier required to be set forth therein in accordance with the~~ carrier's cost allocation manual, the Commission's Joint Cost orders issued in conjunction with CC Docket No. 86-111 and the Commission's rules and regulations including §§32.23 and 32.27 of this chapter, 64.901, and 64.903 in force as of the date of the auditor's report. The audit shall be conducted in accordance with the generally accepted auditing standards~~, except as otherwise directed by the Chief, Common Carrier Bureau.~~

(b) The report of the independent auditor shall be filed at the time that the local exchange carrier files the annual report required by §43.21(f)(2) of this chapter.

# BellSouth ARMIS Simplification Proposal Reports 43-01, 02, 03, and 04

## II. Overview

- Consolidates Existing 43-02 and 43-03 Reporting into the 43-01
- Creates a New 43-02 Report to Provide Relevant Statistical and Financial Information
- Simplifies the 43-04 and Aligns with 43-01 Format
- Anticipates Further Changes to the Commission's Rules
- Consistent with Other Simplification Proposals

# BellSouth ARMIS Simplification Proposal Reports 43-01, 02, 03, and 04

## I. Objectives

- Simplify and Consolidate Reporting Requirements
- Eliminate Redundant Information Between Reports
- Provide Consistency in Reporting Requirements for All Reporting Companies
- Align Reporting Requirements with Price Cap Regulation
- Recognize Increased Sensitivity to Confidential Data
- Position Reporting Requirements for Future Rule Changes

# BellSouth ARMIS Simplification Proposal Reports 43-01, 02, 03, and 04

## III. 43-01, ARMIS Annual Report

- Maintains Existing Format for Revenue and Cost Data (Column a)
- Consolidates 43-02 Reporting Requirements Consistent with Adoption of Class B Reporting Requirements for All Carriers (Column b)
- Consolidates 43-03 Reporting Requirements While Meeting All Current Audit/Attestation Requirements (Column c)
- Accommodates Future Dockets (Column d)
- Eliminates Redundant Reporting of Access Charge Detail
- Anticipates Simplification of Jurisdictional Separations

# BellSouth ARMIS Simplification Proposal
# Reports 43-01, 02, 03, and 04

## IV. 43-02, ARMIS Statistical Data

- Provides Statistical/Miscellaneous Information Previously Included in Other Reports
  - Separations Categorization/Allocation Data (Table 2)
  - Lifeline/Universal Service Fund Information (Table 3)
  - Access Line Data (Table 4)

- Anticipates Additional Reporting Requirements
  - Universal Service Fund Accounting Information (Table 1)
  - Other Financial/Statistical Information

# BellSouth ARMIS Simplification Proposal Reports 43-01, 02, 03, and 04

V. <u>43-04, ARMIS Access Report</u>

- Adopts 43-01 Format (Rows)
- Limited to Interstate Access Charge Data
- Eliminates Duplicate Information from the Existing 43-01 (Columns)
- Consolidates Part 61/69 Categorization Detail
- Underlying Detail Retained
- Anticipates Future Simplification and Alignment of Part 61/69 Rules

# BellSouth ARMIS Simplification Proposal Reports 43-01, 02, 03, and 04

VI. Timing

- Proposals Do Not Require Modification of Underlying Rules
- May Be Implemented Immediately
- 1999 Reporting Year Entirely Reasonable

**EXHIBIT I**
**SHEET 1 of 3**

FCC REPORT 43-01
ARMIS ANNUAL REPORT
COMPANY: BellSouth Telecommunications
STUDY AREA: BST
PERIOD: From Jan 1997 To Dec 1997

Approved By OMB
Expires:
Unrestricted Version
SUBMISSION 1
TABLE I
PAGE 1 OF 2

**TABLE I - COST AND REVENUE TABLE**
**(Dollars in thousands)**

| | (a) | (b) Total | (c) Nonreg | (d) All Other Adjustments | (e) ARMIS Adjustments | (f) Subject to Separations | (g) Interstate | (h) State |
|---|---|---|---|---|---|---|---|---|
| | **Revenues** | | | | | | | |
| 1010 | Basic Local Services | 8,657,516 | 0 | 0 | 327 | 8,657,189 | 0 | 8,657,189 |
| 1020 | Network Access Services | 4,416,416 | 0 | 0 | 47,312 | 4,369,104 | 3,585,000 | 784,104 |
| 1030 | Toll Network Services | 713,636 | 0 | 0 | 0 | 713,636 | 14,536 | 699,100 |
| 1040 | Miscellaneous | 529,217 | 0 | 0 | 0 | 529,217 | 91,683 | 437,534 |
| 1045 | Nonregulated | 559,727 | 559,727 | 0 | 0 | 0 | 0 | 0 |
| 1050 | Settlements | (41,921) | 0 | 0 | 0 | (41,921) | 6 | (41,927) |
| 1060 | Uncollectible | 168,375 | 8,574 | 0 | 0 | 159,801 | 38,295 | 121,506 |
| 1090 | Total Operating Revenues | 14,666,216 | 551,153 | 0 | 47,639 | 14,067,424 | 3,652,930 | 10,414,494 |
| | **Expenses** | | | | | | | |
| 1120 | Plant Specific | 2,652,685 | 244,288 | 0 | 203 | 2,408,194 | 609,878 | 1,798,316 |
| 1130 | Plant Non-Specific | 983,568 | 80,294 | 0 | 14 | 903,260 | 230,983 | 672,277 |
| 1140 | Customer Operations Marketing | 694,348 | 148,998 | 0 | 0 | 545,350 | 150,217 | 395,133 |
| 1150 | Customer Operations Services | 1,126,253 | 75,095 | 0 | (1,235) | 1,052,393 | 216,791 | 835,602 |
| 1160 | Corporate Operations | 1,364,126 | 97,800 | 0 | 8 | 1,266,318 | 306,963 | 959,355 |
| 1170 | Access | 71,707 | 0 | 0 | (4,772) | 76,479 | 4,772 | 71,707 |
| 1180 | Depreciation/Amortization | 3,292,430 | 55,532 | 0 | 46 | 3,236,852 | 842,185 | 2,394,667 |
| 1185 | FCC Expense Adjustment | 0 | 0 | 0 | 0 | 0 | 424 | N/A |
| 1190 | Total Operating Expenses | 10,185,117 | 702,007 | 0 | (5,736) | 9,488,846 | 2,362,213 | 7,127,057 |
| | **Other Operating Items** | | | | | | | |
| 1290 | Other Operating Income/Losses | (333) | (1) | 0 | 0 | (332) | (117) | (215) |
| | **Non-Operating Items** | | | | | | | |
| 1320 | Inc Effect/Jurisdictional Diff (Rev) | (388,838) | 0 | 0 | 0 | (388,838) | 0 | (388,838) |
| 1330 | Extraordinary Items (Rev) | (9,324) | 0 | 0 | (9,324) | 0 | 0 | 0 |
| 1340 | AFUDC (Rev) | 16,155 | 133 | 0 | 0 | 16,022 | 4,082 | 11,940 |
| 1350 | Special Charges (Exp) | 39,518 | 1,558 | 0 | 22,048 | 15,912 | 4,060 | 11,852 |
| 1360 | All Other Non-Oper Items (Rev) | 416,369 | 416,228 | 0 | 0 | 141 | 0 | 141 |
| 1370 | FCC Non-operating Adj (Exp) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1390 | Total Non-oper Items (Exp) | 5,156 | (414,803) | 0 | 31,372 | 388,587 | (22) | 388,609 |
| | **Other Taxes** | | | | | | | |
| 1410 | State And Local Income | 166,302 | (10,363) | 0 | 29,917 | 146,748 | 53,309 | 93,439 |
| 1420 | Other State And Local | 591,471 | 5,736 | 0 | 13 | 585,722 | 118,808 | 466,914 |
| 1490 | Total Other Taxes | 757,773 | (4,627) | 0 | 29,930 | 732,470 | 172,117 | 560,353 |
| | **Federal Income Taxes** | | | | | | | |
| 1510 | Fixed Charges (Exp) | 548,600 | 9,913 | 0 | 16,529 | 522,158 | 131,207 | 390,951 |
| 1520 | IRS Income Adjustment (Rev) | 19,029 | 0 | 0 | 2,044 | 16,985 | (155) | 17,140 |
| 1530 | FCC Taxable Income Adj (Rev) | 0 | 0 | 0 | 0 | 0 | 700 | (700) |
| 1540 | ITC Amortization (Rev) | 44,639 | 245 | 0 | (193) | 44,587 | 11,420 | 33,167 |
| 1550 | FCC ITC Adjustment (Rev) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1590 | Net Federal Income Taxes (Exp) | 1,076,050 | (71,986) | 0 | 16,336 | 988,619 | 334,325 | 654,390 |

**EXHIBIT I**
**SHEET 2 of 3**

FCC REPORT 43-01
ARMIS ANNUAL REPORT
COMPANY: BellSouth Telecommunications
STUDY AREA: BST
PERIOD: From Jan 1997 To Dec 1997

Approved By OMB
Expires:
Unrestricted Version
SUBMISSION 1
TABLE I
PAGE 2 OF 2

**TABLE I - COST AND REVENUE TABLE**
**(Dollars in thousands)**

| | (a) | (b) Total | (c) Nonreg | (d) All Other Adjustments | (e) ARMIS Adjustments | (f) Subject to Separations | (g) Interstate | (h) State |
|---|---|---|---|---|---|---|---|---|
| | **Plant-in-Service** | | | | | | | |
| 1620 | Support Plant | 6,386,564 | 419,021 | 0 | 26,826 | 5,940,717 | 1,459,045 | 4,481,672 |
| 1630 | Operator Systems Equipment | 152,944 | 255 | 0 | 9,737 | 142,952 | 19,999 | 122,953 |
| 1640 | COE-Switching | 8,364,798 | 157,262 | 0 | 503,364 | 7,704,172 | 1,178,246 | 6,525,926 |
| 1650 | COE-Transmission | 10,156,892 | 32,680 | 0 | 158,442 | 9,965,770 | 3,384,204 | 6,581,566 |
| 1660 | Cable And Wire Facilities | 21,620,126 | 44,480 | 0 | 388,628 | 21,187,018 | 5,417,238 | 15,769,780 |
| 1670 | IOT Equipment | 394,054 | 7,081 | 0 | (61,852) | 448,825 | 111,989 | 336,836 |
| 1680 | Amortizable Assets | 127,913 | 9,740 | 0 | (140) | 118,313 | 29,169 | 89,144 |
| 1690 | Total Plant-In-Service | 47,203,291 | 670,519 | 0 | 1,025,005 | 45,507,767 | 11,599,890 | 33,907,877 |
| | **Other Investments** | | | | | | | |
| 1705 | Other Jurisdictional Assets-Net | (484,271) | 0 | 0 | (193,783) | (290,488) | 0 | (290,488) |
| 1710 | Property Held For Future Use | 12 | 0 | 0 | (18) | 30 | 9 | 21 |
| 1720 | Plant Under Construction | 313,682 | 3,427 | 0 | 16,638 | 293,617 | 74,828 | 218,789 |
| 1730 | Plant Acquisition Adjustment | 2,537 | 12 | 0 | 2,525 | 0 | 0 | 0 |
| 1740 | Invest in Nonaffil Companies | 3,243 | 3,243 | 0 | 0 | 0 | 0 | 0 |
| 1750 | Other Deferred Charges | 389,891 | 12,171 | 0 | 377,720 | 0 | 0 | 0 |
| 1760 | Inventories | 227,588 | 4,931 | 0 | (27,094) | 249,751 | 63,910 | 185,841 |
| 1770 | Cash Working Capital | 0 | 0 | 0 | 0 | 0 | (54,959) | 54,959 |
| 1780 | FCC Investment Adjustment | 0 | 0 | 0 | 0 | 0 | 65,451 | (65,451) |
| 1790 | Total Other Investments | 452,682 | 23,784 | 0 | 175,988 | 252,910 | 149,239 | 103,671 |
| | **Reserves** | | | | | | | |
| 1820 | Accumulated Depreciation | 24,154,738 | 277,816 | 0 | 969,807 | 22,907,115 | 5,946,729 | 16,960,386 |
| 1830 | Accumulated Amortization | 76,257 | 5,783 | 0 | (471) | 70,945 | 17,502 | 53,443 |
| 1840 | Deferred FIT | 3,117,824 | (3,566) | 0 | 60,350 | 3,061,040 | 745,074 | 2,315,966 |
| 1850 | Customer Deposits | 46,760 | 1,370 | 0 | 1,341 | 44,049 | 11,199 | 32,850 |
| 1870 | Other Deferred Credits | 164,141 | 117,145 | 0 | 1,888 | 45,108 | 11,502 | 33,606 |
| 1880 | Other Juris Liab & Def Crs-Net | 2,026,126 | 0 | 0 | 1,027,474 | 998,652 | 255,362 | 743,290 |
| 1885 | FCC Reserve Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1890 | Total Reserves | 29,585,846 | 398,548 | 0 | 2,060,389 | 27,126,909 | 6,987,368 | 20,139,541 |
| | **Return Data** | | | | | | | |
| 1910 | Average Net Investment | N/A | N/A | N/A | N/A | 18,633,768 | 4,761,761 | 13,872,007 |
| 1915 | Net Return | N/A | N/A | N/A | N/A | N/A | 784,180 | N/A |
| 1920 | Rate Of Return | N/A | N/A | N/A | N/A | N/A | 16.47% | N/A |
| 1925 | FCC Ordered Refund | N/A | N/A | N/A | N/A | N/A | 0 | N/A |
| 1926 | Refund Adjusted for Taxes | N/A | N/A | N/A | N/A | N/A | 0 | N/A |
| 1930 | Net Return Including FCC Refund | N/A | N/A | N/A | N/A | N/A | 784,180 | N/A |
| 1935 | Rate Of Return (including refund) | N/A | N/A | N/A | N/A | N/A | 16.47% | N/A |

# NEW ARMIS REPORT 43-01
# COLUMN DEFINITIONS

| Column | Definition |
|---|---|
| b. | Total - This column reflects the operating results for each of the rows itemized in this report and includes all regulated and non-regulated company operations for each row. These amounts are presented prior to separation between state and interstate jurisdictions and are reported as booked, per Part 32 of the Commission's Rules. |
| c. | Non-regulated - This column reflects the amount of each row pertaining to non-regulated activities in compliance with Part 64 of the Commission's Rules. |
| d. | All Other Adjustments - This column reflects the costs of any other adjustments defined by the Commission for removal prior to jurisdictional separations. |
| e. | ARMIS Adjustments - This column reflects adjustments such as accounting adjustments necessary to arrive at the amount subject to jurisdictional separation. |
| f. | Subject to Separations - This column reflects that portion of each row that must be allocated between state and interstate jurisdictions pursuant to Part 36 of the Commission's Rules. Column (b) less columns (c), (d), (e) and (f). This amount also equals the sum of columns (h) and (i) except for those rows where N/A appears in column (g). |
| g. | Interstate - This column reflects that portion of each row that is allocated to the interstate jurisdiction for which this schedule is being filed, pursuant to Part 36 of the Commission's Rules. |
| h. | State - This column reflects that portion of each row that is allocated to the state jurisdiction for which this schedule is being filed, pursuant to Part 36 of the Commission's Rules. The cost of de-tariffed CPE shall be entered in this column pursuant to Part 36.142. |

**EXHIBIT II**
**SHEET 1 OF 2**

FCC REPORT 43-02
ARMIS STATISTICAL DATA
COMPANY: BellSouth Telecommunications
STUDY AREA: BST
PERIOD: From Jan 1997 To Dec 1997

Approved By OMB
Expires:
Unrestricted Version
SUBMISSION 1
PAGE 1 OF 1

**TABLE 1 - UNIVERSAL SERVICE FUND**

| (a) | HIGH COST (b) | LOW INCOME (c) | SCHOOLS LIBRARIES (d) | RURAL HEALTH (e) | TOTAL USF (f) | TOTAL NON-USF (g) | ACCOUNT TOTAL (h) |
|---|---|---|---|---|---|---|---|
| 100 Tot Access Exp (A/C 6540.000) | 100 | 100 | 100 | 100 | 400 | 200 | 600 |
| 110 Tot IS Access Exp (6540.1000) | XXX | XXX | XXX | XXX | XXX | 100 | 100 |
| 120 Tot ST Access Exp (6540.2000) | XXX | XXX | XXX | XXX | XXX | 100 | 100 |
| 130 Tot USF Exp (6540.3000) | 100 | 100 | 100 | 100 | 400 | XXX | 400 |

**TABLE 2 - SUMMARY OF SEPARATIONS ALLOCATORS**

| CATEGORY (a) | SUBJECT TO SEPNS (b) | INTERSTATE (c) | STATE (d) |
|---|---|---|---|
| 1000 BASIC ALLOCATION FACTOR | 100.00% | 25.00% | 75.00% |
| 1010 DIAL EQUIPMENT MINUTES | 44,642 | 4,925 | 39,718 |
| 1020 TANDEM MINUTES OF USE | 4,056 | 1,631 | 2,424 |
| 1030 SUB LINE MINUTES OF USE | 44,582 | 4,915 | 39,668 |
| 1040 MINUTES OF USE | 161,076,961 | 15,659,255 | 145,417,706 |
| 1050 CONVERSATION MINUTES | 4,497 | 2,138 | 2,358 |
| 1060 CONVERSATION MINUTE KM | 381,097 | 167,159 | 213,938 |
| 1070 DA WSWS | 1,282,358 | 247,975 | 1,034,383 |
| 1080 INT WSWS | 6,187 | 683 | 5,504 |
| 1090 PL/WATS LOOPS | 55,638 | 0 | 55,638 |
| 1100 SUB/CL LOOPS | 1,756,899 | N/A | N/A |
| 1110 LOOP ALLOCATION FACTOR | 100.00% | 25.00% | 75.00% |
| 1120 TOT WORKING LOOPS | 1,812,538 | N/A | N/A |
| 1130 LOCAL MESSAGES | 1,665,989 | N/A | 1,665,989 |
| 1140 TOLL MESSAGES | 267,911 | 107,719 | 160,192 |
| 1150 TOTAL MESSAGES | 1,933,900 | N/A | N/A |
| 1160 TOTAL BILLABLE ACCESS LINES | 1,728,000 | N/A | N/A |
| 1170 PL ACCOUNTS | 234,108 | 2,952 | 231,156 |
| 1180 DIR AD USERS | 48,875 | N/A | N/A |
| 1190 MSG TOLL USERS | 1,213,301 | N/A | N/A |
| 1200 TOT CURR USERS | 2,632,151 | N/A | N/A |

**TABLE 3 - Miscellaneous Data**

| CATEGORY (a) | SUBJECT TO SEPNS (b) | INTERSTATE (c) | STATE (d) |
|---|---|---|---|
| 2000 Lifeline Adjustment | 0 | 700 | (700) |
| 2010 Universal Service Fund | 0 | 10,000 | (10,000) |
| 2020 Common Line Support-Transitional | N/A | (50,000) | N/A |

**TABLE 4 - Access Line Data**

| | |
|---|---|
| 3000 Single Line Residence | 500,000 |
| 3010 Residence Lifeline | 200,000 |
| 3020 Residence Non-Lifeline | 14,000,000 |
| 3030 Multiline Business-Centrex Co & CT | 6,000,000 |
| 3040 Lines Subject to Special Surcharge | 7,000 |
| 3050 TOTAL BILLABLE ACCESS LINES | 20,707,000 |

# NEW ARMIS REPORT 43-02
# STATISTICAL DATA

New ARMIS Report 43-02 contains statistical data relating to access lines, allocations factors, etc. that are used to apportion/allocate costs per Parts 36 and 69 of the Commission's Rules.

TABLE 1 - Universal Service Fund
Provides a summary of USF contributions booked to Account 6540 by fund type (High Cost, Low Income, Schools & Libraries, Rural Health. Also included is a summary of non-USF expenses which are also booked to Account 6540.

TABLE 2 - Separations Allocators
Provides a summary of the major allocators used to separate costs between jurisdictions.

TABLE 3 - Miscellaneous Data
Summarizes Lifeline and USF revenues received during the year.

TABLE 4 - Access Line Data
Displays access lines by Single Line Residence, Residence Lifeline, Residence Non-Lifeline, Multi-line Business, Lines Subject to Special Surcharge and Total Billable Access Lines.

FCC REPORT 43-04
ARMIS ACCESS REPORT
COMPANY: BellSouth Telecommunications
STUDY AREA: BST
PERIOD: From Jan 1997 To Dec 1997

Approved By OMB
Expires:
Unrestricted Version
SUBMISSION 1
TABLE I
PAGE 1 OF 2

TABLE I - COST AND REVENUE TABLE
(Dollars in thousands)

| | (a) | (b) Common Line | (c) Traffic Sensitive | (d) Trunking | (e) Total Access | (f) Billing & Collection | (g) IX | (h) Interstate |
|---|---|---|---|---|---|---|---|---|
| | **Revenues** | | | | | | | |
| 1010 | Basic Local Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1020 | Network Access Services | 1,889,316 | 623,944 | 1,062,553 | 3,575,813 | 0 | 9,189 | 3,585,000 |
| 1030 | Toll Network Services | 0 | 0 | 0 | 0 | 0 | 14,536 | 14,536 |
| 1040 | Miscellaneous | 7,185 | 801 | 2,486 | 10,472 | 81,202 | 6 | 91,683 |
| 1045 | Nonregulated | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1050 | Settlements | 0 | 0 | 0 | 0 | 0 | 6 | 6 |
| 1060 | Uncollectible | 21,348 | 0 | 16,488 | 37,836 | 35 | 427 | 38,295 |
| 1090 | Total Operating Revenues | 1,875,153 | 624,745 | 1,048,551 | 3,548,449 | 81,167 | 23,310 | 3,652,930 |
| | **Expenses** | | | | | | | |
| 1120 | Plant Specific | 413,999 | 48,764 | 146,740 | 609,503 | 0 | 374 | 609,878 |
| 1130 | Plant Non-Specific | 148,430 | 20,957 | 61,433 | 230,820 | 0 | 163 | 230,983 |
| 1140 | Customer Operations Marketing | 96,315 | 14,171 | 39,627 | 150,113 | 0 | 105 | 150,217 |
| 1150 | Customer Operations Services | 30,580 | 24,716 | 27,489 | 82,785 | 124,540 | 9,469 | 216,791 |
| 1160 | Corporate Operations | 175,703 | 27,910 | 69,431 | 273,044 | 31,345 | 2,573 | 306,963 |
| 1170 | Access | 0 | 0 | 0 | 0 | 0 | 4,772 | 4,772 |
| 1180 | Depreciation/Amortization | 482,333 | 95,852 | 260,360 | 838,545 | 0 | 751 | 842,185 |
| 1185 | FCC Expense Adjustment | 466 | 67 | (110) | 423 | 0 | 0 | 424 |
| 1190 | Total Operating Expenses | 1,347,826 | 232,437 | 604,970 | 2,185,233 | 155,885 | 18,207 | 2,362,213 |
| | **Other Operating Items** | | | | | | | |
| 1290 | Other Operating Income/Losses | (77) | (13) | (27) | (117) | 0 | 0 | (117) |
| | **Non-Operating Items** | | | | | | | |
| 1320 | Inc Effect/Jurisdictional Diff (Rev) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1330 | Extraordinary Items (Rev) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1340 | AFUDC (Rev) | 2,610 | 381 | 1,092 | 4,083 | 0 | (1) | 4,082 |
| 1350 | Special Charges (Exp) | 2,611 | 384 | 1,061 | 4,056 | 0 | 4 | 4,060 |
| 1360 | All Other Non-Oper Items (Rev) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1370 | FCC Non-operating Adj (Exp) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1390 | Total Non-oper Items (Exp) | 1 | 3 | (31) | (27) | 0 | 5 | (22) |
| | **Other Taxes** | | | | | | | |
| 1410 | State And Local Income | 16,756 | 20,588 | 20,191 | 57,535 | (4,285) | 268 | 53,309 |
| 1420 | Other State And Local | 75,722 | 12,308 | 30,613 | 118,643 | 0 | 163 | 118,808 |
| 1490 | Total Other Taxes | 92,478 | 32,896 | 50,804 | 176,178 | (4,285) | 431 | 172,117 |
| | **Federal Income Taxes** | | | | | | | |
| 1510 | Fixed Charges (Exp) | 85,576 | 11,409 | 34,010 | 130,995 | 0 | 90 | 131,207 |
| 1520 | IRS Income Adjustment (Rev) | 20,212 | (6,967) | (13,146) | 99 | 0 | (51) | (155) |
| 1530 | FCC Taxable Income Adj (Rev) | 448 | 64 | 185 | 697 | 0 | 0 | 700 |
| 1540 | ITC Amortization (Rev) | 7,266 | 1,027 | 2,978 | 11,271 | 0 | 7 | 11,420 |
| 1550 | FCC ITC Adjustment (Rev) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1590 | Net Federal Income Taxes (Exp) | 122,183 | 118,352 | 118,055 | 358,590 | (24,652) | 1,579 | 334,325 |

FCC REPORT 43-04
ARMIS ACCESS REPORT
COMPANY: BellSouth Telecommunications
STUDY AREA: BST
PERIOD: From Jan 1997 To Dec 1997

Approved By OMB
Expires:
Unrestricted Version
SUBMISSION 1
TABLE I
PAGE 2 OF 2

**TABLE I - COST AND REVENUE TABLE**
**(Dollars in thousands)**

| | (a) | (b) Common Line | (c) Traffic Sensitive | (d) Trunking | (e) Total Access | (f) Billing & Collection | (g) IX | (h) Interstate |
|---|---|---|---|---|---|---|---|---|
| | **Plant-In-Service** | | | | | | | |
| 1620 | Support Plant | 932,680 | 132,484 | 392,434 | 1,457,598 | 0 | 1,090 | 1,459,045 |
| 1630 | Operator Systems Equipment | 0 | 12,914 | 0 | 12,914 | 0 | 7,087 | 19,999 |
| 1640 | COE-Switching | 0 | 904,437 | 249,795 | 1,154,232 | 0 | 0 | 1,178,246 |
| 1650 | COE-Transmission | 1,450,297 | 0 | 1,926,598 | 3,376,895 | 0 | 0 | 3,384,204 |
| 1660 | Cable And Wire Facilities | 4,912,418 | 0 | 504,146 | 5,416,564 | 0 | 0 | 5,417,238 |
| 1670 | IOT Equipment | 111,868 | 0 | 122 | 111,990 | 0 | 0 | 111,989 |
| 1680 | Amortizable Assets | 18,535 | 2,652 | 7,958 | 29,145 | 0 | 20 | 29,169 |
| 1690 | Total Plant-In-Service | 7,425,798 | 1,052,487 | 3,081,053 | 11,559,338 | 0 | 8,197 | 11,599,890 |
| | **Other Investments** | | | | | | | |
| 1705 | Other Jurisdictional Assets-Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1710 | Property Held For Future Use | 4 | 0 | 1 | 5 | 0 | 0 | 9 |
| 1720 | Plant Under Construction | 47,935 | 6,816 | 20,023 | 74,774 | 0 | 53 | 74,828 |
| 1730 | Plant Acquisition Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1740 | Invest in Nonaffil Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1750 | Other Deferred Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1760 | Inventories | 40,339 | 5,958 | 17,561 | 63,858 | 0 | 50 | 63,910 |
| 1770 | Cash Working Capital | (35,227) | (5,065) | (14,622) | (54,914) | 0 | (47) | (54,959) |
| 1780 | FCC Investment Adjustment | 44,310 | 6,467 | 14,626 | 65,403 | 0 | 49 | 65,451 |
| 1790 | Total Other Investments | 97,361 | 14,176 | 37,589 | 149,126 | 0 | 105 | 149,239 |
| | **Reserves** | | | | | | | |
| 1820 | Accumulated Depreciation | 3,815,312 | 536,501 | 1,567,756 | 5,919,569 | 0 | 4,151 | 5,946,729 |
| 1830 | Accumulated Amortization | 11,094 | 1,575 | 4,817 | 17,486 | 0 | 13 | 17,502 |
| 1840 | Deferred FIT | 408,597 | 90,332 | 240,938 | 739,867 | 0 | 699 | 745,074 |
| 1850 | Customer Deposits | 7,198 | 1,055 | 2,940 | 11,193 | 0 | 8 | 11,199 |
| 1870 | Other Deferred Credits | 7,364 | 1,082 | 3,051 | 11,497 | 0 | 8 | 11,502 |
| 1880 | Other Juris Liab & Def Crs-Net | 163,104 | 23,772 | 68,305 | 255,181 | 0 | 183 | 255,362 |
| 1885 | FCC Reserve Adjustment | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1890 | Total Reserves | 4,412,669 | 654,317 | 1,887,807 | 6,954,793 | 0 | 5,062 | 6,987,368 |
| | **Return Data** | | | | | | | |
| 1910 | Average Net Investment | 3,110,490 | 412,346 | 1,230,835 | 4,753,671 | 0 | 3,240 | 4,761,761 |
| 1915 | Net Return | N/A | N/A | N/A | N/A | N/A | N/A | 784,180 |
| 1920 | Rate Of Return | N/A | N/A | N/A | N/A | N/A | N/A | 16.47% |
| 1925 | FCC Ordered Refund | N/A | N/A | N/A | N/A | N/A | N/A | 0 |
| 1926 | Refund Adjusted for Taxes | N/A | N/A | N/A | N/A | N/A | N/A | 0 |
| 1930 | Net Return Including FCC Refund | N/A | N/A | N/A | N/A | N/A | N/A | 784,180 |
| 1935 | Rate Of Return (including refund) | N/A | N/A | N/A | N/A | N/A | N/A | 16.47% |

# NEW ARMIS REPORT 43-04
# COLUMN DEFINITIONS

| Column | Definition |
|---|---|
| b. | Common Line - This column reflects the costs of the local loop Pursuant to Part 69 of the Commission's Rules. |
| c. | Traffic Sensitive - This column reflects the amounts that are assigned to the Traffic Sensitive Access elements pursuant to Part 69 of the Commission's Rules. |
| d. | Trunking - This column reflects that portion of each line item applicable to charges assessed upon all interexchange carriers who use switching, transport or special access facilities. The amounts entered in this column are assigned pursuant to Part 69 of the Commission's Rules. |
| e. | Total Access - The total of columns (b), (c) and (d). |
| f. | Billing & Collection - This column reflects that portion of each row applicable to Billing & Collection services pursuant to Part 69 of the Commission's Rules. |
| g. | Interexchange - This column reflects that portion of each row applicable to Interexchange services pursuant to Part 69 of the Commission's Rules. |
| h. | Interstate - The total of columns (e), (f) and (g). |