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JUL 25 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

July 25, 2002

VIA HAND DELIVERY

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Joint Application by BellSouth Corporation, et al. for Provision of In-Region, InterLATA Services in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina, WC Docket No. 02-150

Dear Ms. Dortch:

On July 24, 2002, Daonne Caldwell, Cindy Cox, Gerry Gardner, Glenn Reynolds, and Sean Lev, representing BellSouth, met with Tamara Preiss, Josh Swift, Carol Canteen, Monica Desai, and Marv Sacks of the Wireline Competition Bureau to discuss pricing issues in this application. The attached material (one page of which is included only with the proprietary version of this filing) was distributed or requested at the meeting.

All inquiries relating to access (subject to the terms of the protective order) to confidential information submitted by BellSouth in support of the Joint Application should be addressed to:

Laura S. Brennan  
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Ms. Dortch  
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Please date-stamp the extra copy of this letter and return it to the individual delivering this package. If you have any questions, please contact me at (202) 326-7975. Thank you for your assistance in this matter.

Respectfully submitted,



Sean A. Lev

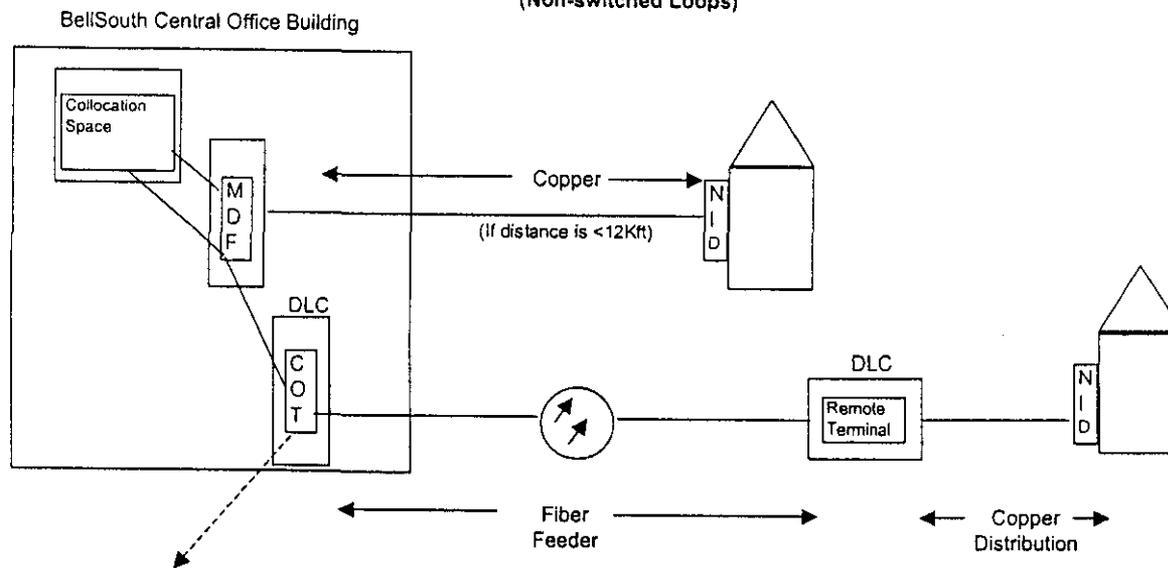
Attachment

cc: Aaron Goldberger  
Tamara Preiss  
Josh Swift  
Carol Canteen  
Monica Desai  
Marv Sacks  
Susan Pie  
James Davis-Smith  
Qualex  
Hon. John Garner  
Deborah Eversol  
Brian Ray  
Robert H. Bennick, Jr.  
Gary E. Walsh

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**FOR PUBLIC INSPECTION**

**BST2000 Scenario  
(Non-switched Loops)**



COT includes Channel Bank with Voice Grade Plug-in.

**Notes:**

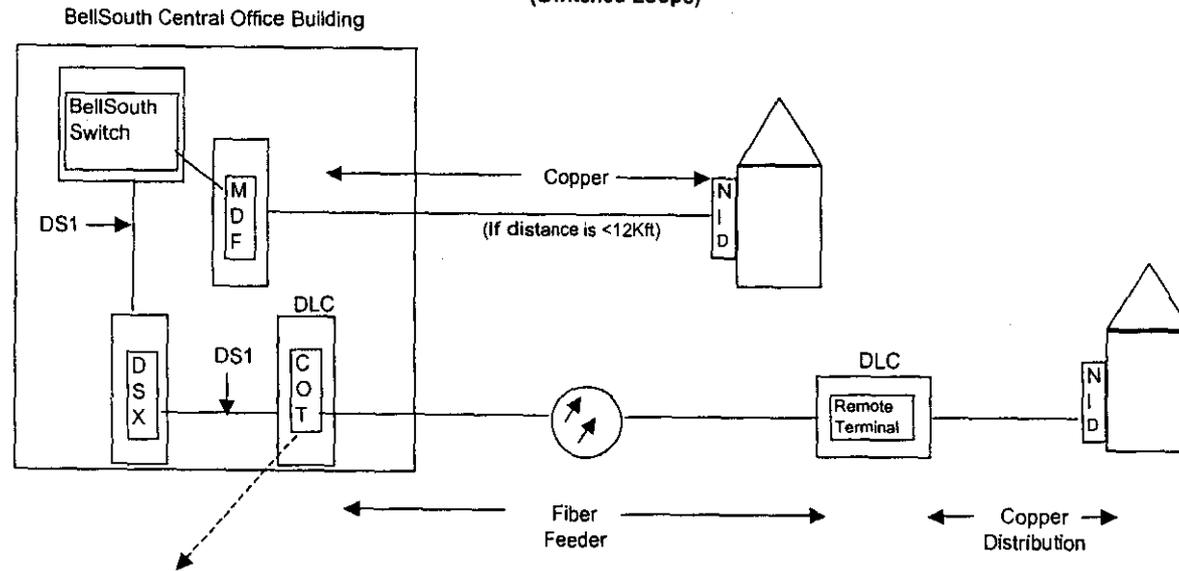
BST2000ISDN is the same as the BST2000 scenario except that an ISDN plug-in is used at the RT and at the COT. Also, additional time slots are required for the RT and COT commons and in the fiber.

Copper-Only Scenario would be equivalent to the copper loop shown here, only with unlimited length.

**Key:**

COT Central Office Terminal  
DLC Digital Loop Carrier  
MDF Main Distribution Frame  
NID Network Interface Device

**Combo Scenario  
 (Switched Loops)**



COT excludes Channel Bank with Voice Grade Plug-in.

**Notes:**

ComboISDN is the same as the Combo scenario except that an ISDN plug-in is used at the RT. Also, additional time slots are required for the RT and COT commons and in the fiber.

Copper-Only Scenario would be equivalent to the copper loop shown here, only with unlimited length.

**Key:**

- COT Central Office Terminal
- DLC Digital Loop Carrier
- DSX Digital Signal Cross-connect
- MDF Main Distribution Frame
- NID Network Interface Device

# Summary

North Carolina Method	Rate	Rate Group Method	Rate
<=115%	\$14.76	RG 6-7	\$14.94
>115% - <=160%	\$23.13	RG 4-5	\$21.39
>160%	\$32.21	RG 1-3	\$26.72

74%

69%

19%

19%

7%

12%

<b>Assume:</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Investments	\$10,000	\$5,000	\$8,000
Demand (Annual Messages)	15,000	25,000	30,000
Annual Cost Factor	0.3		
<b>Cash Flow - Annual Costs per Year</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Related to Year 1 Investments	\$3,000	\$3,000	\$3,000
Related to Year 2 Investments		\$1,500	\$1,500
Related to Year 3 Investments			\$2,400
Total Annual Cost per Year	\$3,000	\$4,500	\$6,900
Demand (Annual Messages)	15,000	25,000	30,000
Cost per Message	\$0.20	\$0.18	\$0.23
<b>Cost Study Method</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Year 1 Investments	\$10,000	\$10,000	\$10,000
Year 2 Investments		\$5,000	\$5,000
Year 3 Investments			\$8,000
Total Yearly Investment	\$10,000	\$15,000	\$23,000
Sum of Investments	\$48,000		
Cumulative Demand	70,000		
Sum of Investments/Cumulative Demand	\$0.69		
Cost per Message	\$0.21		
<b>Turner's Method</b>			
Sum of Investments	\$23,000		
Cumulative Demand	70,000		
Sum of Investments/Cumulative Demand	\$0.33		
Cost per Message	\$0.10		

Average Feature Usage Calculation

Feature	Processor	Line	Hardware	SS7
3-way Calling	0.5		0.5	
CF Variable	0.3	0.3		
Speed calling	1	1		
Speed calling (2)	1	1		
CW	0.5	0.5	0.5	
RACF	0.04	0.04	0.04	
Cancel CW	0.1	0.1		
Automatic Callback	1.5	1.5	1.5	1.5
Automatic Recall	0.5	0.5	0.5	0.5
Caller ID - Basic (Number, only)	1.6	1.6		
Calling Number Delivery Blocking	0.15	0.15		
Distinctive Ringing	1.25	1.25	1.25	1.25
COT	0.01	0.01	0.01	
Selective Call Rejection	0.8	0.8	0.8	
Selective Call Forwarding	0.02	0.02	0.02	0.02
Selective Call Acceptance	0.4	0.4	0.4	0.4
MLH	6			
CFBL	0.4			
CFDA	0.4			
RCF	0.1			
CT	0.25		0.25	
Speed Calling	1	1		
Manual Line Service	0.4			
Distinctive Ringing	1			
CH	0.2			
Semi-restricted	0.02			
Toll Restricted	0.02	0.02		
Call Pick-up	0.13	0.13		
Directed Call Pick-up (w/charge-in)	0.19	0.19		
Directed Call Pick-up (w/ocharge-in)	0.5	0.5		
Trunk Answer	0.6	0.6		
Message Detail Recording	1	1	1	
Fixed Night Service	2		2	
Att'd Camp-on	1		1	
CW Lamps	5		5	
Fixed Night Service - CF	2			
Att'd ID	1			
Att'd Conference	0.5	0.5	0.5	
UCD	10.8			
Queuing	1.2			
ARS	3.53			
Deluxe ARS	4.41	4.41		
SFGs	0.35			
Selective Control of Facilities	1.47	1.47	1.47	
Facility Restriction Level	1			
MWI	0.45			
ACR	0.2	0.2		
Calling Name/Number Delivery	1.6		1.6	1.6
Dial CW	0.2	0.2		
Teen Service	1.25			
Voice/Data Protection	0.1	0.1		
Code Restriction	0.05	0.05		
Call Park	0.28			
Selective Class of Call Screening	1.47	1.47		
Star 98 Access to Voice Mail	1	1		
CW Deluxe	0.3		0.3	
Average	1.1	0.7	1.0	0.9
Count	56	31	19	6
Average Number of Features per Line	4	2.2	1.4	0.4
Usage per Line	4.5	1.6	1.3	0.4