

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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In The Matter Of)	
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AT&T Inc. and BellSouth Corporation)	WC Docket No. 06-74
Applications For Approval Of Transfer Of)	
Control)	
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_____)	

**RESPONSE OF BELLSOUTH CORPORATION TO INFORMATION AND
DOCUMENT REQUEST DATED JUNE 23, 2006**

July 11, 2006

**BELLSOUTH CORPORATION'S RESPONSE TO INITIAL INFORMATION
AND DOCUMENT REQUEST**

July 11, 2006

In response to the letter dated June 23, 2006 from Thomas J. Navin, Chief of the Wireline Competition Bureau of the Federal Communications Commission (the "Commission") and the attached Initial Information and Document Request also dated June 23, 2006, BellSouth Corporation ("BellSouth") hereby provides narrative answers to each specification applicable to BellSouth, requested data both within the applicable text and as identified exhibits, and responsive documents. As noted, where applicable, in the narrative, BellSouth's submission reflects agreements with Commission staff as to the scope and meaning of individual specifications. BellSouth has provided responsive, non-privileged information, data, and documents. As requested, BellSouth has also provided a master index of the specifications and responses.

In light of the information, data and documents sought by the Commission, many of the submitted exhibits and documents contain material that is extremely sensitive from a commercial, competitive and financial perspective, which BellSouth would not, in the normal course of its business, reveal to the public or its competitors. Where appropriate, therefore, such material is being submitted on a confidential basis pursuant to the existing Protective Order and Second Protective Order in this proceeding.¹ The confidential, unredacted submission is marked "*CONFIDENTIAL INFORMATION – SUBJECT TO*

¹ *AT&T Inc. and Bellsouth Corporation Applications For Approval Of Transfer Of Control*, WC Docket No. 06-74, Protective Order, DA 06-1032 (rel. May 12, 2006) ("Protective Order"); *AT&T Inc. and BellSouth Corporation Applications For Approval Of Transfer Of Control*, WC Docket No. 06-74, Protective Order, DA 06-74, DA 06-1415 (rel. July 7, 2006) ("Second Protective Order").

PROTECTIVE ORDER IN WC DOCKET NO. 06-74 before the Federal Communications Commission” and “*HIGHLY CONFIDENTIAL INFORMATION – SUBJECT TO SECOND PROTECTIVE ORDER IN WC DOCKET NO. 06-74 before the Federal Communications Commission – Copying Prohibited.*” A version redacting the confidential information and available to the public is being filed electronically in the Commission’s ECFS system.

Consistent with the Protective Orders, BellSouth expects prompt notification of any “Acknowledgment of Confidentiality” submitted by any person seeking access to the confidential, unredacted material. BellSouth also requests the return of all confidential material at the conclusion of this proceeding.

Initial Information Request Regarding Material Contained in Application

A. Background

- 1. Define the retail customer classes: enterprise, large business, medium business, small business, mass market, and residential; and define any other retail customer class in which your company monitors competition between AT&T and BellSouth and regularly creates sales reports. Explain the specific characteristics that distinguish each customer class (e.g., revenue size; employee size; telecom needs; other criteria).**

RESPONSE:

Customer sales and marketing are principally handled by two groups at BellSouth: Business Markets, which handles Large Business (“LBS”) customers (as well as wholesale customers), and Retail Markets, which handles Small Business (“SBS”) and residential customers. As is explained below, the terms “Large Business” and “Small Business” are used by BellSouth to refer to the broad segmentation of retail business customers into those served by the Business Markets or Retail Markets groups. The term “enterprise” refers to a segment within the Large Business category at BellSouth, while the term “medium” customer is not used in the ordinary course of business within BellSouth. “Mass market” is used within the Retail Markets Group to describe its Consumer and certain Small Business segments. “Residential” is used synonymously within the Retail Markets Group to describe its Consumer segment.

Customers are designated as LBS or SBS according to the revenue the customer generates with BellSouth. Customers spending above approximately \$65,000 annually are generally assigned to LBS, while lower spending customers are generally assigned to SBS. Account assignments between SBS and LBS are normally conducted at the beginning of each year. If a SBS account rises above the \$65,000 level or a LBS account falls below this level during the year, the account normally retains its business unit

assignment until the next round of annual reassignments. In addition, there may be certain accounts (*e.g.*, government accounts, schools, etc) that may be assigned to either LBS or SBS because of strategic decisions on how those accounts will be handled, preexisting relationships with a particular group, or other factors.

LBS. Within the Business Markets group, BellSouth has traditionally divided LBS customers into three categories: general business (less than 300 lines but total annual spending of at least \$65,000, in general), major (300-700 lines) and enterprise (700 or more lines). Average annual customer spending with BellSouth is approximately \$100,000 in the general business category, approximately \$400,000 in the major category and approximately \$2 million in the enterprise category. BellSouth is in the process of revising its customer segmentation approach in order to better align its sales efforts with the in-region customer groups for which it is best situated to serve, with the intention of devoting a more structured focus to vertical customer segments of particular importance (such as government and health care customers within the BellSouth region).

SBS. SBS uses tiers to stratify its customer base into sales segments. These tiers are based on spending with BellSouth that includes local, long distance, data and Internet access revenue. Assignment to a given tier will also take into account the customer's product complexity, as some tiers are not equipped to handle complex products. There are seven tiers within SBS with monthly spending as follows:

Tier	Monthly Revenue
1	>\$3,333/mo
2	\$833-3,332
3	\$567-\$832
4	\$375-\$566
5	\$146-374
6	\$1-145
0	<\$0

Residential/Mass Market. BellSouth classifies residential services as “Consumer,” which is defined to include all residential households that do not list a business name or pay for business-grade services. BellSouth has no other retail customer classes.

2. **Define the retail services your company includes within the following retail service categories: local voice; local data; interexchange voice; interexchange data; and managed services. Define any other retail service category for which your company monitors competition between AT&T and BellSouth.**

RESPONSE:

The retail services included within the retail service categories employed by BellSouth differ among different marketing groups within BellSouth.

SBS/LBS. The following services are included within the product classes utilized by BellSouth's LBS and SBS groups:

- Local voice is composed of all access line products, including PBX trunks, Centrex and 1FBs, as well as all ancillary services attached to a line, such as voice mail, call forwarding, etc. The following product groups are included in local voice:

- Lines - Flat Rate
- Lines – Usage
- Lines – Other
- Packages
- Centrex
- DID Trunks
- PBX Trunks
- Vertical Services
- Memory Call
- Miscellaneous Voice
- Miscellaneous Other

- Local data includes the following product groups:

- PRI ISDN
- BRI ISDN
- Synchronet
- Frame Relay
- ATM
- MegaLink (DS1)
- Video
- Video Conferencing Service
- Lightgate
- SMARTRing

Native Mode LAN Interconnection
Metro Ethernet
Gigabit Ethernet
BellSouth Integrated T1 Solutions
DS0
FlexServ
Wavelength
Miscellaneous Data

- Managed Services includes Managed Router Services.
- Interexchange Voice and Data. BellSouth Long Distance (“BSLD”) provides interexchange voice services (private line, inbound, outbound, calling card, and directory voice services) and interexchange data services (Frame Relay and ATM data services).
- Other. The only other retail service category utilized by BellSouth, although not a category in which BellSouth monitors competition with AT&T, concerns Internet access services (such as Dedicated Internet Access and DSL). BellSouth’s Internet access services are more fully described in response to Specification 28(a).

Consumer. The following product classes are utilized by BellSouth’s Consumer marketing group (the terms Interexchange Data and Managed Services are not used in the ordinary course of business for BellSouth’s Consumer marketing group):

- Local Voice includes all retail local voice access lines with or without associated feature packages, such as Fixed Residential (1FR), Complete Choice (CC), BellSouth Preferred Pack (BPP), etc., as well as retail vertical features that are tied to the local line, such as Caller ID, voicemail and Inside Wire.
- Local Data includes dial-up data access services.
- Interexchange Voice includes all retail long distance services.
- Other. BellSouth Consumer tracks sales for its retail DSL products and any associated verticals under the Broadband designation, although this is not a category for which BellSouth monitors competition with AT&T. BellSouth’s Internet access services are more fully described in response to Specification 28(a).

3. **Define each wholesale customer class in which your company monitors competition between AT&T and BellSouth, and regularly creates sales reports. Explain the specific characteristics that distinguish each customer class (e.g., carrier classification (competitive LEC, wireless, IXC); revenue size; type of wholesale service; other criteria).**

RESPONSE:

Although BellSouth does not monitor wholesale competition between AT&T and BellSouth in the ordinary course of business, BellSouth Interconnection Services (“ICS”), the unit of the BellSouth Business Markets group responsible for wholesale sales, divides customers into the following customer segments: (1) Wireless Carriers; (2) IXCs (national long distance network operators); (3) Integrated Communications Providers/CLECs (facilities-based telecom providers); and (4) Local Voice Customers (CLECs lacking their own facilities). ICS typically aggregates data from the Carrier, ICP/CLEC and Local Voice groups to track data by two broad classes of customer segments, General Carrier and Wireless.

4. **Define the wholesale services your company includes within the following wholesale services: local voice; local data; interexchange voice; interexchange data; and long-haul services. Define any other wholesale service category for which your company monitors competition between AT&T and BellSouth.**

RESPONSE:

BellSouth's ICS group does not monitor wholesale competition between AT&T and BellSouth in the ordinary course of business and does not generally classify its wholesale services using the terms "Local Voice," "Local Data," "Interexchange Voice" and "Interexchange Data" in the ordinary course of business. For the purposes of its response to this data request, however, BellSouth has classified its wholesale data in the following manner:

- Local Voice. UNE-P, UNE-P Replacement, resale, UNE-L, collocation, local interconnection and wireless interconnection services.
- Local Data. Private line services other than special access, UNE-T high-capacity loops and Enhanced Extended Loops ("EELs").
- Interexchange Voice. Switched access services.
- Interexchange Data. Special access.

BSLD offers wholesale interexchange voice service, which is defined as long distance telephone service between LATAs, to Cingular Wireless. BSLD enters into contracts with wholesale carriers to purchase interexchange and international voice services for resale to Cingular. BSLD offers wholesale interexchange data including Frame Relay and ATM services, which are defined as services between LATAs. BSLD procures these services from other interexchange wholesale carriers. Long haul private line services are sold to Cingular and other wholesale customers. BSLD defines interexchange private

line as facilities between LATAs. The facilities may or may not include local access facilities, but all facilities are leased by BSLD from third-party wholesale carriers.

B. Enterprise and Wholesale Services

- 5. For the nation, each BellSouth franchise area, and each MSA within BellSouth's region, provide separately for AT&T and BellSouth, by each customer class identified in Specifications 1 and 3 and each service category identified in Specifications 2 and 4:**
- a. Revenues, and an estimate of your company's market share of revenues. Explain the methodology used to create the estimate and any supporting documentation.**

RESPONSE:

Responsive information is included in Exhibit 5.a, which identifies BellSouth's revenues for the nation, each BellSouth franchise area, and each MSA within the BellSouth region, organized by customer class and product category, with separate worksheets provided representing BellSouth's Large Business, Small Business, Long Distance and Wholesale units. Explanations pertaining to each of these specific responses are set forth below. Amounts reported do not include intracompany transactions, but include sales to Cingular. Exhibit 5.a is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

Large Business. Exhibit 5.a is an Excel Spreadsheet containing multiple worksheets with responsive data organized by different business units and different reporting periods. Information relating to LBS is provided in the worksheets labeled "5a LBS 1Q05," "5a LBS 2Q05," "5a LBS 3Q05," "5a LBS 4Q05," "5a LBS 1Q06," "5a LBS Apr2006" and "5a LBS May2006." In each of these worksheets, Column A identifies the relevant customer segment (*e.g.*, Enterprise, Major), Column B identifies the relevant geographic area and Columns C-E identify revenues by service categories identified in Specification 2.

Small Business. Information relating to SBS in Exhibit 5.a is provided in the worksheets labeled “5a SBS 1Q05,” “5a SBS 2Q05,” “5a SBS 3Q05,” “5a SBS 4Q05,” “5a SBS 1Q06,” “5a SBS Apr2006” and “5a SBS May2006.” In each of these worksheets, Columns A and B identify the relevant geographic area, Column C identifies the relevant customer tier (*e.g.*, Tier 1, Tier 2), and Columns D-J identify revenues by service categories identified in Specification 2.

BSLD. Information relating to BellSouth’s BSLD group in Exhibit 5.a is provided in the worksheets labeled “5a BSLD Retail 1Q05,” “5a BSLD Retail 2Q05,” “5a BSLD Retail 3Q05,” “5a BSLD Retail 4Q05,” “5a BSLD Retail 1Q06,” “5a BSLD Retail Apr2006,” “5a BSLD Retail May2006,” “5a BSLD Wholesale 1Q05,” “5a BSLD Wholesale 2Q05,” “5a BSLD Wholesale 3Q05,” “5a BSLD Wholesale 4Q05,” “5a BSLD Wholesale 1Q06,” “5a BSLD Wholesale Apr2006” and “5a BSLD Wholesale May2006,” In each of the retail worksheets, Columns A and B identify the relevant geographic area and Columns C-O identify revenues by customer segments and service categories. In each of the wholesale worksheets, Columns A and B identify the relevant geographic area and Columns C-K identify revenues by customer segments and service categories.

Due to the size and nature of its separate operations, BSLD tracks revenue only at the SBS and LBS customer segment level and does not track revenue for sub-segments used by the LBS and SBS groups. BellSouth’s systems for its BSLD operations do not link historical revenue information to service locations in the ordinary course of business in a manner that makes it possible to provide revenue for actual service locations because there is no commercial or regulatory reason for doing so. As a result, BSLD revenue is reported by billing address rather than service location.

Wholesale. Information relating to ICS in Exhibit 5.a is provided in the worksheets labeled “5a Wholesale 2005” and “5a Wholesale 2006.” In each of these worksheets, Columns A and B identify the relevant geographic area, Column C identifies the relevant service categories identified in Specification 4, and Columns D-O identify revenues by customer segments for each relevant period.

Market Share. BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating BellSouth’s market share as called for by this Specification. Information that may be responsive to the market share component of this Specification is discussed below in response to Specifications 5(c) and 5(d).

- b. The number of lines by capacity (e.g., DS-0, DS- 1, DS-3, OCn), and an estimate of your company’s market share of lines by the appropriate capacity measure. Explain the methodology used to create the estimate and any supporting documentation.**

RESPONSE:

Responsive information is included in Exhibit 5.b, which identifies BellSouth’s lines by circuit capacity levels (DS0, DS1, etc.) for the nation, each BellSouth franchise area, and each MSA within the BellSouth region, organized by customer class and product category, with separate worksheets provided representing BellSouth’s Large Business, Small Business, Long Distance and Wholesale units. Explanations pertaining to each of these specific responses are set forth below. Amounts reported do not include intracompany transactions, but include sales to Cingular. Exhibit 5.b is “Confidential” within the meaning of the Commission’s Protective Order.

Large Business. Exhibit 5.b is an Excel Spreadsheet containing multiple worksheets with responsive data organized by different business units and different

reporting periods. Information relating to LBS is provided in the worksheets labeled “5b LBS 1Q05,” “5b LBS 2Q05,” “5b LBS 3Q05,” “5b LBS 4Q05,” “5b LBS 1Q06,” “5b LBS Apr2006” and “5b LBS May2006.” In each of these worksheets, Column A identifies the relevant customer segment (*e.g.*, Enterprise, Major), Column B identifies the relevant geographic area and Columns C-G identify circuits by capacity level organized by the service categories identified in Specification 2.

Small Business. Information relating to SBS in Exhibit 5.b is provided in the worksheets labeled “5b SBS 1Q05,” “5b SBS 2Q05,” “5b SBS 3Q05,” “5b SBS 4Q05,” “5b SBS 1Q06,” “5b SBS Apr2006” and “5b SBS May2006.” In each of these worksheets, Columns A and B identify the relevant geographic area, Column C identifies the relevant customer tier (*e.g.*, Tier 1, Tier 2), and Columns D-H identify circuits by capacity level organized by the service categories identified in Specification 2.

BSLD. Information relating to BSLD in Exhibit 5.b is provided in the worksheets labeled “5b BSLD Retail 1Q05,” “5b BSLD Retail 2Q05,” “5b BSLD Retail 3Q05,” “5b BSLD Retail 4Q05,” “5b BSLD Retail 1Q06,” “5b BSLD Retail Apr2006,” “5b BSLD Retail May2006,” “5b BSLD Wholesale 1Q05,” “5b BSLD Wholesale 2Q05,” “5b BSLD Wholesale 3Q05,” “5b BSLD Wholesale 4Q05,” “5b BSLD Wholesale 1Q06,” “5b BSLD Wholesale Apr2006” and “5b BSLD Wholesale May2006.” In each of the retail worksheets, Columns A and B identify the relevant geographic area and Columns C-AA identify circuits by capacity level by customer category. In each of the wholesale worksheets, Columns A and B identify the relevant geographic area and Columns C-U identify circuits by capacity level by customer category.

Due to the size and nature of its separate operations, BSLD tracks circuits only at the SBS and LBS customer segment level and does not track circuits for sub-segments used by the LBS and SBS groups. BellSouth's systems for its BSLD operations do not link historical circuit information to service locations in the ordinary course of business in a manner that makes it possible to provide circuit capacity data for actual service locations because there is no commercial or regulatory reason for doing so. As a result, BSLD capacity data is reported by billing address rather than service location. BSLD circuit and revenue data are drawn from different systems, and there may therefore be minor variations in the manner in which particular services are reported.

Wholesale. Information relating to ICS in Exhibit 5.b is provided in the worksheets labeled "5b Wholesale 2005" and "5b Wholesale 2006." In each of these worksheets, Columns B and C identify the relevant geographic area, Column D identifies the service categories identified in Specification 4, Column E identifies the relevant circuit capacity level and Columns F-T identify circuits by customer segments for each relevant period.

Market Share. BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating BellSouth's market share as called for by this Specification. Information that may be responsive to the market share component of this Specification is discussed below in response to Specifications 5(c) and 5(d).

- c. **An estimate of each competitor’s market share of revenues. Provide an explanation of how the estimates were arrived at and a copy of supporting documentation.**
- d. **An estimate of each competitor’s market share of capacity (e.g., DS-0, DS-1, DS-3, OCn). Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.**

RESPONSE:

BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating the market shares of its competitors as called for by this Specification. BellSouth is producing, however, market share or related information that may be responsive to this Specification as follows:

- BellSouth’s Business Markets group used the McKinsey consulting firm to conduct an ad hoc survey of business customers to determine, among other things, BellSouth’s “share of wallet” among customers in different segments and BellSouth’s strategic opportunities concerning such customers. “Share of wallet” does not describe market share in any economically relevant product or geographic market, because it represents an aggregated estimate of all customer spending across dissimilar product areas. Thus, if BellSouth serves a significant portion of a customer’s local voice service requirements, but no other services, it might have a high “share of wallet” share for that customer’s in-region spending, while generating little or no sales from the customer in any service category other than basic local voice services. A copy of the McKinsey report is produced in the non-custodial documents. This document is numbered BLS-INT-000001-000060, and is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.
- BellSouth’s Small Business Competitive Briefing reports regularly conducted survey data that tracks competitive losses in the SBS segment on a monthly basis. This survey data may be used to estimate the relative success of different competitors in the small business segment, though not their absolute market shares. Copies of the Competitive Briefings for the period covering January 1, 2005 through June 2006 are produced in the non-custodial documents. The documents are numbered BLS-INT-000061-000423, and are “Confidential” within the meaning of the Commission’s Protective Order.

- BellSouth utilized an external consultant to estimate high capacity market share, and the results of this consultant's analysis were filed as Attachment 6 to BellSouth's Comments in Wireline Competition Docket No. 05-25, RM-10593 the Special Access ("SPA") Notice of Proposed Rule Making ("NPRM") on June 13, 2005. A copy of Attachment 6, the Declaration of Stephanie Boyles, along with the Declaration's Exhibit A, are produced in the non-custodial documents. These documents are numbered BLS-INT-001252-001271. This analysis divides Special Access services into end user local channels and interoffice channels ("IOF") that are carried through the BellSouth network to termination at the carrier point of presence ("POP"). These documents are "Public" within the meaning of the Commission's Protective Order.

Additional documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Trip Agerton, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 6. For long-haul services provided to competitive LECs, interexchange carriers, and wireless providers within the United States, provide:**
- a. An explanation of BellSouth's long-haul capabilities outside its franchise areas.**

RESPONSE:

BSLD enters into contracts with interexchange carriers to lease private line facilities and data services which allow BSLD to provide long-haul services outside its franchise areas. BSLD does not own any long-haul network assets outside of the nine-state region. All long-haul circuits used for BSLD network purposes or resale opportunities are leased through wholesale carrier relationships.

- b. AT&T's revenues, wholesale minutes, and the corresponding nationwide market share estimate.**

RESPONSE:

This Specification is not applicable to BellSouth. Information related to AT&T's provision of long-haul services is included in AT&T's filing in response to this Specification.

- c. BellSouth's revenues, wholesale minutes, and the corresponding nationwide market share estimate.**

RESPONSE:

BSLD's revenue during the relevant periods is reported in Exhibit 6.c, which is "Confidential" within the meaning of the Commission's Protective Order. BSLD does not have knowledge or information concerning the minutes associated with these revenues. BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating its market share as called for by this Specification.

- d. The name and estimated nationwide market share of each facilities-based long-haul service competitor. Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.**

RESPONSE:

BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating the lines or market shares of its competitors as called for by this Specification.

7. **Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition on proposals to provide any relevant service (RFPs) for enterprise or wholesale business customers.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Trip Agerton, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 8. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) relating to the company's business plans for enterprise or wholesale businesses, including strategic plans, budgets, and financial projections for these businesses. For regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year-to-date documents for the current year.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Trip Agerton, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 9. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition for enterprise or wholesale customers (other than long-haul services), including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) the market share or competitive position of AT&T, BellSouth or any other competitor for these services; (b) supply or demand conditions for these services; (c) customers' willingness or ability to substitute to alternative competitive services or providers; (d) competitors' willingness or ability to meet increased demand for their services; and (e) attempts to win these customers from other companies or to stem losses of these customers to other companies.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Trip Agerton, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 10. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss AT&T's, BellSouth's or any other company's pricing strategies for enterprise or wholesale customers (other than long-haul services), including any documents that report or estimate an elasticity of demand for services provided to these customers.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Trip Agerton, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

C. Special Access Services

- 11. Provide a definition for each type of special access service provided by your company. Explain whether the types of service are distinguished by: whether the service is Type I, Type II or other type; capacity (e.g., DS-0, DS-1, DS-3, OCn); optional payment plan (e.g., term or volume commitment); or other factors.**

RESPONSE:

BellSouth offers the following types of wholesale special access services:

- BellSouth® Wavelength Service. BellSouth Wavelength Dedicated Ring Service and BellSouth Wavelength Channel Service are Dense Wave Division Multiplexing (DWDM) optical services offered in point-to-point or ring architecture. The Dedicated Ring and Dedicated Channel Services are designed for the transport of optical services between customer-designated locations dedicated to a single customer.
- BellSouth® SPA Point-to-Point Network. BellSouth SPA Point-to-Point Network is a DS3 and above level service that provides the highest capacity point-to-point connection. This service is a point-to-point DS3 fiber optic digital private line transport service with channelization capability for the customer. It provides customers the ability to mix multiple applications in a single high capacity fiber optic pipe. It is provided in package sizes of DS3, OC3, OC12, OC48 and OC192 optical channels and system sizes.
- BellSouth® SPA Managed Shared Network Service. Managed Shared Network Service (MSNS) is a managed special access high capacity transport service where BellSouth takes over customer access networks and assumes responsibility for multiplexing and interoffice design and assignment.
- BellSouth® LightGate® Service. BellSouth LightGate Service is a fiber-based transport service for interconnecting carriers' premises with one another and the BellSouth network. This service is a point to point DS3 fiber optic digital private line transport service with channelization capability for the customer. It provides customers the ability to mix multiple applications in a single high capacity fiber optic pipe. It is provided in package sizes of 1, 3, 12 or 24 DS3s, OC3, OC12, OC48 and OC192 optical channels and system sizes.
- BellSouth® Metro Ethernet Service. BellSouth Metro Ethernet Service complements the scalability, flexibility and transparency of Ethernet with the reliability of a carrier class network. Metro Ethernet brings added functionality to a familiar technology, empowering customers to access large volumes of data and run bandwidth-intensive applications while

minimizing technology and training cost.

- BellSouth® SMARTRing® Service. SMARTRing (a.k.a. Dedicated Ring) provides a dedicated high capacity network service that transports DS1-OC48 signals. The capacities that the service is available are OC3, OC12, OC48, and OC192. SMARTRing can be customized and is provided between customer designated locations and BellSouth offices.
- DS0. Voice grade channels that provide for the transmission of analog signals within an approximate bandwidth of 300-3000 Hz, and terminated on 2 or 4-wires. Voice and Data Bridging, Line Conditioning and Customer Reconfiguration service options are available.
- DS1. A 1.544 Mbps point-to-point facility for the transmission of digital data in 64 Kbps or 1.544 Mbps channels.
- DS1 Private Line (Megalink). Point-to-point 1.544 Mbps service, in the General Subscriber Services Tariff, primarily marketed to Wireless Carriers. This service utilizes the entire DS1 capacity between two points within a LATA.
- CMRS Private Line. BellSouth Commercial Mobile Radio Service trunks are generally used to provide two-way Mobile Systems and Paging Systems. There are four (4) types of services: BellSouth CMRS Local Loop Trunks (One Way In or DID); BellSouth CMRS Local Loop Trunks (Two-way); and BellSouth CMRS Local Loop Trunks (One Way Out).
- DS1 Private Line (Megalink Light). Provides local loop transport between a customer-designated premises and its normal SWC. This service utilizes a fiber-based local channel (loop) transport link between a customer-designated premises and its normal Serving Wire Center (SWC).

BellSouth offers a variety of discount plans for its special access products. Such discounts are made available to all wholesale customers and are typically based on commitments of a special access customer to purchase a certain quantity of special access services or to purchase designated special access services for a particular term. Major special access discount plans offered by BellSouth are generally available and include the following:

- Area Commitment Plan (“ACP”). ACP discounts are available based on region-wide portable purchasing commitments over a 24-72 month term.

The ACP covers switched DS1, special access DS1 and below.

- Channel Services Payment Plan (“CSPP”). CSPP discounts are based on commitments at specified circuit levels for DS1 and below service over terms ranging from 24-96 months.
- Federal Government Transport Plan (“FGTP”). FGTP discounts are available based on portable region-wide commitments for DS1 High Capacity circuits, with local and interoffice channel fixed and per-mile rate elements. FGTP discounts cover terms ranging from 24-96 months. FGTP covers service for the exclusive use of the federal government and its authorized agents.
- Transport Payment Plan (“TPP”). TPP discounts are available based on commitments at the circuit level for DS3 and above services. TPP discounts cover terms ranging from 12-96 months.
- Transport Advantage Plan (“TAP”). TAP is a volume and term plan that allows customers to receive credits applied to their bill in exchange for having maintained a specified level of Special Access and Switched Access dedicated transport services recurring billing for a specified period of time. To qualify for TAP, a customer must have \$3 million or greater of annual recurring revenue associated with qualifying access services.

BellSouth also offers a variety of dedicated point-to-point retail services to business customers that fall within the Commission’s Data Request’s definition of “special access” services. These services are described in BellSouth’s response to Specification 2 above in connection with the “local data” category. Retail private line services are available across a range of capacity levels.

BellSouth does not normally track sales or revenue information for special access services as “Type 1” or “Type 2.” In general, retail private line services provided by BellSouth could be either Type 1 or Type 2, depending on whether a private line connection depended on interLATA circuits leased from a third-party provider such as Qwest, while wholesale special access services would generally fall within the Type 2 definition.

12. For each BellSouth franchise area and each MSA within BellSouth's region, provide separately for AT&T and BellSouth, by type and capacity (e.g., Type I-DS-1, Type I-DS-3, etc.):

a. The special access revenues and number of circuits.

RESPONSE:

Exhibit 12.a provides responsive information concerning BellSouth's special access revenues and circuits, organized by the types of special access services tracked by BellSouth and circuit capacity levels. Separate worksheets are provided for BSLD and for BellSouth's business wholesale organization. Explanations pertaining to each of these specific responses are set forth below. Exhibit 12.a is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

Wholesale. Information relating to ICS in Exhibit 12.a is provided in the worksheets labeled "Wholesale 2005 Revenue," "Wholesale 2005 Units," "Wholesale 2006 Revenue" and "Wholesale 2006 Units." In the Wholesale Revenue worksheets, Columns A and B identify the relevant geographic area, Column C identifies the relevant special access type and capacity levels, and Columns D-G identify revenues for each relevant period. In the Wholesale Units worksheets, Columns A and B identify the relevant geographic area, Column C identifies the relevant special access type and capacity levels, and Columns D-G identify the relevant number of special access circuits for each relevant period. Exhibit 12.a aggregates data for services with similar service characteristics (e.g., the DS1 Megalink, Megalink Light and CMRS Private Line services described above are aggregated under the "DS1" designation).

BSLD. Information relating to BSLD in Exhibit 12.a is provided in the worksheets labeled "12a BSLD 1Q05," "12a BSLD 2Q05," "12a BSLD 3Q05," "12a BSLD 4Q05," "12a BSLD 1Q06," "12a BSLD Apr2006" and "12a BSLD May2006." In

each worksheet, Columns A and B identify the relevant geographic area, Column C identifies whether data in the corresponding row represents revenue or circuits, and Columns D-X identify revenues and circuits at different capacity levels, with separate detail depending on whether the services are Type 1 or Type 2.

LBS/SBS. Additional responsive data for retail LBS and SBS products offered by BellSouth that fall within the definition of “special access” used by the Commission’s Data Request are provided in Exhibit 5.a in the portions of the LBS and SBS worksheets identifying Local Data revenue and in Exhibit 5.b in the portions of the LBS and SBS worksheets identifying Local Data circuits by circuit capacity level.

b. An estimate of your market share of revenues and circuits.

RESPONSE:

BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating its market share as called for by this Specification. Documents numbered BLS-INT-001252-001271 provided in response to Specifications 5(c) and 5(d) contain certain ad hoc market analysis that may be responsive to this Specification.

c. The corresponding revenues and market share of each competitor. Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.

RESPONSE:

BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating the revenues or market shares of its competitors called for by this Specification. Documents numbered BLS-INT-001252-001271 provided in response to Specifications 5(c) and 5(d) contain certain ad hoc market analysis that may be responsive to this Specification.

- d. **The number of lines by type and capacity and market share of each competitor. Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.**

RESPONSE:

BellSouth does not track competitive information in the ordinary course of business in a manner that would provide a basis for estimating the lines or market shares of its competitors as called for by this Specification. Documents numbered BLS-INT-001252-001271 provided in response to Specifications 5(c) and 5(d) contain certain ad hoc market analysis that may be responsive to this Specification.

- 13. For each wire center within BellSouth's region, BellSouth shall provide in an Excel spreadsheet:**
- a. An identifier for the wire center and an identifier for the MSA in which the wire center is located.**

RESPONSE:

Responsive information is provided in Exhibit 13.a, which is "Public" within the meaning of the Commission's Protective Order.

- b. The name of each carrier with a fiber-based collocation at the wire center.**
- c. Indicate whether the fiber-based collocation is "on-net" (connected to the carrier's network with the carrier's own facilities - a Type I connection) or "off-net" (connected to the carrier's network via facilities leased from another carrier – a Type II connection). In the case of a Type II connection, indicate if the facilities are leased from BellSouth, AT&T, or another carrier.**

RESPONSE:

Responsive information is provided in Exhibit 13.b, which is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

BellSouth's verification methodology did not include the identification of fiber-based collocators that were connected to the carrier's network via facilities leased from another carrier.

14. For each MSA within BellSouth's region where AT&T and BellSouth have facilities (either owned or leased), provide:

- a. A map of AT&T's network, a listing of AT&T's facilities, and the address of each building that AT&T plans to bring "on-net" within the next two years (by May 1, 2008).**

RESPONSE:

This Specification is not applicable to BellSouth. Information related to AT&T's network and facilities is included in AT&T's filing in response to this Specification.

b. In an Excel spreadsheet:

- i) The address of each building for which AT&T has a Type I connection.**
- ii) The capacity of AT&T's Type I connection and the number of circuits, as well as the number of lit and dark fiber strands.**
- iii) The name of each other carrier that has a Type I connection to that same building, and the capacity of each carrier's Type I connection.**
- iv) The name of each carrier with a Type II connection to that same building.**

RESPONSE:

This Specification is not applicable to BellSouth. Information related to AT&T's network and facilities is included in AT&T's filing in response to this Specification.

c. In an Excel spreadsheet:

- i) The address of each building for which AT&T has a Type II connection.**
- ii) The capacity of AT&T's Type II connection and the number of circuits.**
- iii) The name of each other carrier that has a Type I connection to that same building, and the capacity of each carrier's Type I connection.**

- iv) **The name of each other carrier that has a Type II connection to that same building.**

RESPONSE:

This Specification is not applicable to BellSouth. Information related to AT&T's network and facilities is included in AT&T's filing in response to this Specification.

- 15. For the nation and each BellSouth franchise area, provide separately for AT&T and BellSouth, a quarterly count of the number of RFPs for special access service in which your company submitted a bid to provide special access service.**

RESPONSE:

Responsive information is included in Exhibit 15, which provides separate worksheets for formal RFPs for special access services responsive to this Specification in three categories: (1) Retail RFPs issued by retail business customers (labeled “15 Retail Commercial RFPs”); (2) Retail RFPs issued by government customers (labeled “15 Gov’t RFPs”); and (3) RFPs issued by wholesale business customers (labeled “15 Wholesale”). Exhibit 15 is “Confidential” within the meaning of the Commission’s Protective Order.

Because, in the experience of BellSouth, formal RFPs for wholesale special access services are infrequently utilized by wholesale customers, Exhibit 15 also contains information from BellSouth’s Wholesale Sales Funnel database, which tracks all sales opportunities identified and inputted by the BellSouth wholesale sales force. The Wholesale Sales Funnel includes special access opportunities as well as other wholesale sales opportunities. The input of new opportunities was voluntary prior to the beginning of 2006, and has since been made mandatory. The total sales opportunities reported in the Wholesale Sales Funnel during the relevant period are provided in Exhibit 15 in the “15 Wholesale” worksheet.

- 16. For each RFP for special access service to be provided within BellSouth's region in which AT&T or BellSouth submitted a bid, provide in an Excel spreadsheet:**
- a. The name of the company requesting bids.**
 - b. The RFP designation number issued by the company requesting the proposal.**
 - c. The month and year that AT&T submitted its bid.**
 - d. The state(s) and MSA(s) in which AT&T proposed to provide the service.**
 - e. The month and year that BellSouth submitted its bid.**
 - f. The state(s), and MSA(S) in which BellSouth proposed to provide the service.**
 - g. An indication of who was awarded the contract.**

RESPONSE:

Consistent with its response to Specification 15 above, BellSouth is providing in Exhibit 16 information on RFPs issued by retail business customers, RFPs issued by government customers and RFPs issued by wholesale business customers, and is also providing information for other wholesale sales opportunities tracked in BellSouth's Wholesale Sales Funnel. Explanations pertaining to each of these specific responses are set forth below. Exhibit 16 is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

Wholesale RFPs. Wholesale RFPs are provided in the worksheet in Exhibit 16 labeled "16 - Wholesale RFPs." Row 7 indicates the name of the customer soliciting the RFP, Row 8 indicates the customer designation for the RFP, Row 9 indicates the month and year BellSouth submitted the relevant RFP, Rows 10-87 identify relevant service locations covered by the RFP, and Row 89 indicates the outcome of the RFP.

Wholesale Sales Funnel. Wholesale sales opportunities from BellSouth's wholesale sales funnel are provided in the worksheet in Exhibit 16 labeled "16 - Wholesale Sales Funnel." Columns A and B indicate relevant dates for the opportunity, Column C indicates the product covered by the opportunity, Column D indicates the customer name, Column E indicates the location the opportunity concerns, and Column F indicates the status of the opportunity. The Sales Funnel database does not track customer designation numbers, the date a bid is submitted, or the identity of the party to which a contract is awarded. The Wholesale Sales Funnel worksheet includes fields for "Date Reported" (the date when the account representative created the opportunity listing in the Sales Funnel) and "Close Date" (the date when BellSouth closes a sale or anticipates closing a sale associated with a sales opportunity), where applicable.

Retail Commercial RFPs. Retail Commercial RFPs are provided in the worksheet in Exhibit 16 labeled "16 - Retail Commercial RFPs." Column A identifies the location of the services to be provided at the state level, Column B provides the customer name, Column C provides the RFP project name, Column D indicates the status of the RFP, Columns E-G identify relevant project dates, and Column H identifies the products covered by the RFP. BellSouth does not track customer designation numbers, the MSA in which services are to be provided, or the competitor to which a contract was awarded. For purposes of this portion of this worksheet, BellSouth uses the term "Sold Firm Order" to indicate that BellSouth was awarded the contract. The term "Proposed" means that the bid was submitted and the award is either pending or unknown. The term "Dropped" is used by Sales to indicate that BellSouth either elected not to pursue the bid or the bid was lost but BellSouth does not know to whom the contract was awarded.

Government RFPs. Retail government RFPs are provided in the worksheet in Exhibit 16 labeled “16 - Retail Gov’t RFPs.” Column A provides the customer name, Column C provides the RFP designation number, Column E provides the date the RFP was submitted, Columns G-H indicate the locations covered by the RFP, and Column K indicates the winning bidder for the RFP.

- 17. Separately for each MSA within BellSouth's region in which AT&T owns facilities used to provide telephone exchange or exchange access service, provide in the form of lists and network maps of sufficiently precise detail a description of AT&T's facilities, including the capacity and number of strands of lit and unlit fiber and the geographic area that practically can be reached by the network, via either (1) direct fiber connection or (2) special access loops or EELs.**

RESPONSE:

This Specification is not applicable to BellSouth. Information related to AT&T's network and facilities is included in AT&T's filing in response to the this Specification.

18. For each BellSouth franchise area, describe the state regulation, if any, that applies to intrastate special access service.

RESPONSE:

The following responses describe state regulation, if any, of BellSouth's intrastate special access services. The same regulations apply throughout BellSouth's franchise area within each state.

Alabama

BellSouth's intrastate special access services in Alabama are provided pursuant to the company's Intrastate Special Access tariffs. The rates for those services are governed by the BellSouth Price Flexibility Plan ("Metro Plan"), which was adopted by the Alabama Public Service Commission on December 27, 2004 in Docket No. 28590 (In re: Proposed Revisions to the Price Regulation and Local Competition Plan). Specifically, under Section 7.C.(1) of the Metro Plan, intrastate special access rates were capped at the level of BellSouth's interstate special access rates at the date that Plan became effective (except for current contractual special access agreements or volume and term agreements) and are subject to a cost floor equal to total service long run incremental cost.

Florida

BellSouth's intrastate special access services in Florida are provided pursuant to the BellSouth Access Services ("E") Tariff. BellSouth has historically treated these services as subject to price cap regulation as nonbasic services under Section 364.051(5), Florida Statutes, which provides that BellSouth is required to maintain tariffs or

otherwise publicly publish the terms, conditions, and rates for each of its nonbasic services. Section 364.051(5) further provides that BellSouth may set or change on one day's notice the rate for each of its nonbasic services but that a price increase for any nonbasic service category generally shall not exceed 20 percent within a 12-month period. *Id.*

Georgia

BellSouth's intrastate special access services in Georgia are provided pursuant to Section E7 of BellSouth's Access Services tariff. Other than rules applicable to telecommunications services generally (*e.g.*, nondiscrimination requirements), there is no specific regulation of intrastate special access services in Georgia.

Kentucky

BellSouth's intrastate special access services in Kentucky are subject to price regulation. A copy of the current price regulation plan in Kentucky is set forth in section A36 of BellSouth's tariff. The pricing rules for access services are in A36.1.3.C.2. Under these rules, special access rate changes must be filed on fifteen days' notice. A proposed rate change must be supported by a cost study showing that the rates are above long-run incremental cost. A36.1.3.B.5.b. All proposed rate changes are subject to suspension if they violate applicable pricing rules or where the rate change "otherwise is not in the public interest." A36.1.3.B.5.a.

Louisiana

BellSouth provides intrastate special access services in Louisiana pursuant to tariff. The Consumer Price Protection Plan rules (LPSC Regulations for Competition in the Local Telecommunications Market, Section 701), which govern these services, classify special access services as interconnection services. As such, intrastate special access services are subject to a price cap (Section 701.G, as modified in LPSC Order No. U-23933 dated April 13, 1999), the cost floor rule (all telecommunications services must be priced above TSLRIC with certain exceptions, Section 701.H). Intrastate special access services also are subject to the same imputation rule BellSouth must follow in pricing all telecommunications services, including intrastate long distance service. That rule requires BellSouth to impute the cost/price of access into its retail long distance rates. (Section 701.H and LPSC Order No. U-20710 dated 3/24/94).

Mississippi

Pursuant to House Bill 1252 (amending Miss. Code Ann. Section 77-3-35), which was passed earlier this year, special access services in Mississippi were deregulated effective July 1, 2006.

North Carolina

BellSouth's special access service in North Carolina was detariffed by North Carolina Utilities Commission order in 2005. *Order Approving Modified Price Regulation Plan*, Docket No. P-55, Sub 1013, April 29, 2005. All rates, terms and conditions for special access service are therefore a matter of private contract between a customer and BellSouth.

South Carolina

BellSouth's special access services are classified as "other services" under the South Carolina Code, and the statute allows BellSouth to "set rates for all other services on a basis that does not unreasonably discriminate between similarly situated customers" and does not constitute an "abuse of market position." S.C. Code Ann. Section 58-9-576(B)(5). The statute states that "[r]ates that exceed the total service long run incremental cost of an offering or that [meet the offerings of a competitor] do not constitute an abuse of market position." *Id.* Other rates constitute an abuse of market position "if they constitute any anticompetitive pricing action that prohibits a new firm from entering a market or that would cause a firm to exit a market." *Id.* Additionally, "during any given twelve-month period, the aggregate increases in the tariffed rates for other services [such as special access services] must not exceed five percent of the aggregate revenues from tariffed other services during the prior twelve-month period." *Id.*

Tennessee

BellSouth's intrastate special access services in Tennessee are governed by section 7 of the BellSouth Access Services ("E") Tariff. Intrastate special access services are subject to the Tennessee price regulation plan and, as such, are subject to headroom constraints and nondiscrimination provisions. Special access is a nonbasic service under price regulation and therefore subject to the aggregate cap on rate increases for nonbasic services. There is no cap applicable to special access rates specifically. See T.C.A. 65-5-109. *See also* Order Approving in Part and Denying in Part Tariff No. 96-201 entered on

September 4, 1997 by the Tennessee Regulatory Authority in Docket No. 96-01423. The Order approved a Stipulation among various parties setting forth an annual price regulation filing methodology. There are no state commission rules in Tennessee otherwise regulating special access.

* * *

Eight of the nine states in the BellSouth region also monitor the quality of BellSouth's intrastate special access services. With the exception of Louisiana (which has yet to approve BellSouth's updated performance plan), BellSouth's performance measurement plans (collectively, "SQM/SEEM plan") contain several "diagnostic" measurements applicable to intrastate special access. These measurements are considered diagnostic because there are no penalties associated with BellSouth's failure to meet the performance standards associated with such measurements. Specifically, Appendix H of the SQM/SEEM plan contains the following special access measurements: three (3) ordering measures; five (5) provisioning measures; and three (3) maintenance and repair measures. The special access measurement results are reported monthly and are available for review at BellSouth's PMAP website.

- 19. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition on RFPs for special access customers.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 20. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) relating to the company's business plans for special access services (whether wholesale or retail), including strategic plans, budgets, and financial projections for this business. For regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year-to-date documents for the current year.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 21. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition for special access services (whether wholesale or retail), including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) the market share or competitive position of AT&T, BellSouth or any other competitor for these services; (b) supply or demand conditions for these services; (c) customers' willingness or ability to substitute to alternative competitive services or providers; (d) competitors' willingness or ability to meet increased demand for their services; and (e) attempts to win these customers from other companies or to stem losses of these customers to other companies.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

- 22. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss AT&T's, BellSouth's or any other company's pricing strategies for special access services, including any documents that report or estimate an elasticity of demand for services provided to these customers.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Mlott, Rick Wheelahan.

D. Wireless Broadband Services

- 23. For all WCS, BRS and EBS spectrum that AT&T, BellSouth, or Cingular owns, leases or otherwise controls (including through wholesale or resale arrangements), provide separately for AT&T, BellSouth, and Cingular in an Excel spreadsheet:**
- a. A designation of the geographic area in which the spectrum is located (e.g., basic trading area, major economic area or, if the entity only holds or controls spectrum in a partial license area, county or undefined area).**

RESPONSE:

BellSouth holds WCS licenses, BRS licenses and leases, and EBS leases.

BellSouth's WCS licenses are listed by major economic area ("MEA") and regional economic area ("REA") in Exhibit 23.a.1. Exhibit 23.a.1 is "Public" within the meaning of the Commission's Protective Order. BellSouth owns all of the WCS licenses listed in Exhibit 23.a.1. BRS leases and licenses and EBS leases are listed by basic trading area ("BTA") in Exhibit 23.a.2. Exhibit 23.a.2 is "Public" within the meaning of the Commission's Protective Order.

- b. A listing of the MSAs and/or RSAs in which there is overlap of the geographic areas where the entities hold the spectrum.**

RESPONSE:

There is only one *de minimis* overlap. It occurs in Indiana RSA No. 8, more specifically, in those parts of the southeastern corner of Orange County, Indiana, that are located within 35 miles of 38.173611° North, 85.913889° West. A total of 2,022 persons live in this area, according to the 2000 census. The overlap involves a 5 MHz WCS license held by AT&T and BRS/EBS spectrum held by BellSouth.

- c. **The amount of spectrum owned, leased or otherwise controlled in each geographic area by AT&T, BellSouth, or Cingular.**

RESPONSE:

Responsive information is included in Exhibit 23.a.1 for WCS spectrum. As stated in response to Specification 23(a), BellSouth owns all of the WCS licenses listed in Exhibit 23.a.1.

Responsive information is included in Exhibit 23.a.2 for BRS and EBS spectrum. Exhibit 23.a.2 indicates where BellSouth owns or leases BRS and EBS spectrum.

- d. **An indication of whether the spectrum is owned, leased or otherwise controlled.**

RESPONSE:

Responsive information is included in Exhibit 23.a.1 for WCS leased spectrum and Exhibit 23.a.2 for BRS and EBS spectrum.

24. Provide separately for AT&T, BellSouth, and Cingular in an Excel spreadsheet:

a. Revenues earned using WCS, BRS and EBS spectrum, separately by customer class and service offering.

RESPONSE:

BellSouth serves Wireless Cable TV customers using BRS and EBS spectrum. Exhibit 24.a.1 contains customer revenue data for Wireless Cable TV service. Exhibit 24.a.1 is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

BellSouth serves Wireless Broadband customers using BRS and WCS spectrum. Exhibit 24.a.2 contains customer revenue data for Wireless Broadband service. Exhibit 24.a.2 is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

b. The number of end-users served via WCS, BRS and EBS spectrum, separately by customer class and service offering.

RESPONSE:

BellSouth serves end-user customers with Wireless Broadband Service. BellSouth uses WCS spectrum to serve customers in all locations except Athens, Georgia, where BellSouth uses BRS spectrum to provide Wireless Broadband Service. Exhibit 24.b.1 contains customer data for BellSouth’s Wireless Broadband Service WCS customers, while Exhibit 24.b.2 contains data for BellSouth’s Wireless Broadband Service BRS customers. Both Exhibits 24.b.1 and 24.b.2 are “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

BellSouth serves end-user customers with Cable TV services using the BRS and EBS spectrums. Exhibit 24.b.3 contains customer data for Cable TV service using the

BRS and EBS spectrums. Exhibit 24.b.3 is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

- 25. For any spectrum identified in Specification 23, provide in a separate Excel spreadsheet, by geographic area (e.g., basic trading area, major economic area), a listing of all other firms owning, leasing or otherwise controlling spectrum in these frequencies and the amount of spectrum assigned to each of these firms.**

RESPONSE:

Exhibit 25.1 lists, for each MEA in which BellSouth holds WCS spectrum, the other WCS licensees that hold spectrum in that MEA. Information regarding the WCS holdings of other companies is based solely on BellSouth's review of publicly available sources. Such information is included for the purpose of providing the Commission with the best available information in response to its request. Exhibit 25.1 is "Public" within the meaning of the Commission's Protective Order.

Exhibit 25.2 lists, for all major markets in which BellSouth holds BRS licenses and leases and EBS leases, the other BRS and EBS licensees that hold spectrum in the same geographic area. The chart was prepared by running a search of all BRS/EBS licenses within a 70 mile radius of the center of each principal market. Because the BRS/EBS licenses are site-based licenses authorizing service in a 35 mile protected service area ("PSA") around a defined point, using a 70 mile radius will include all licensees whose protected contour could overlap with a BellSouth license or leased spectrum. In providing data on each licensee, leases – where recorded in the FCC's database – are shown and associated with the lessee. BellSouth notes that determining the actual amount of bandwidth available to any licensee at any specific point is exceedingly difficult, given the overlapping BTA and PSA licenses, as well as the overlapping service areas of PSA licensees. Thus, some, or all, of the bandwidth shown for a particular licensee may not be available in a particular place, including the core population centers of a market. However, the same applies for the BellSouth licenses,

which are shown on a market-by-market basis. Information regarding the BRS and EBS holdings of other companies is based solely on BellSouth's review of publicly available sources. Such information is included for the purpose of providing the Commission with the best available information in response to its request. Exhibit 25.2 is "Public" within the meaning of the Commission's Protective Order.

- 26. Provide all documents prepared expressly for AT&T, BellSouth or Cingular (whether prepared internally or by outside advisors) that discuss competition between wireless broadband services and other broadband services (e.g., DSL, cable modem), including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) the market share or competitive position of any firm providing wireless broadband services; (b) supply or demand conditions for wireless broadband services; (c) consumer willingness or ability to use wireless broadband services; and (d) wireless broadband providers' ability to meet increased demand for their services.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Bob McCarthy, Sid Ganju, Michael Bowling, Doug O'Neill, Donna Lee, Susan Callaghan, Maggie-Robinson Hatfield, Keith Milner, Ken Hawkins, Rick Wheelahan, Peter Hill.

- 27. Provide all documents prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) relating to the company's business plans for WCS, BRS, and EBS spectrum assigned to, leased by or otherwise controlled by AT&T, BellSouth or Cingular, or any wireless broadband service offering in other bands, including strategic plans, budgets, and financial projections for such services.**

RESPONSE:

Any documents responsive to this Specification are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Bob McCarthy, Sid Ganju, Michael Bowling, Doug O'Neill, Donna Lee, Susan Callaghan, Maggie-Robinson Hatfield, Keith Milner, Ken Hawkins, Rick Wheelahan, Peter Hill.

E. Internet Services

28. Provide separately for AT&T and BellSouth:

- a. A description of each Internet service offered by your company.**

RESPONSE:

BellSouth is providing the following description of Internet access services offered by BellSouth:

- **BellSouth® Dial Internet Access** - Internet access over a traditional dial modem.
- **BellSouth® FastAccess® DSL Lite (Consumer)/BellSouth® FastAccess® Business Lite (Business)** - ADSL product with speeds up to 256 Kbps downstream and 128 Kbps upstream
- **BellSouth® FastAccess® DSL Ultra (Consumer)/BellSouth® FastAccess® Business DSL (Business)** - ADSL product with speeds up to 1.5 Mbps downstream and 256 Kbps upstream
- **BellSouth® FastAccess® DSL Xtreme (Consumer)/BellSouth® FastAccess® Business Plus (Business)** - ADSL product with speeds up to 3 Mbps downstream and 384 Kbps upstream
- **BellSouth® FastAccess® DSL Xtreme 6.0 (Consumer)/BellSouth® FastAccess® Business DSL 6.0 (Business)** - ADSL product with speeds up to 6 Mbps downstream and 512 Kbps upstream
- **BellSouth® FastAccess® Business Speed 384** offers speeds of 384 Kbps both downstream and upstream. It is engineered to maximize availability and preserve a consistent 384 Kbps to and from the customer's router. This service

is provided with single or multiple Static IP and Domain Name Service (DNS); five static IP addresses are available at no additional charge. This offering is well suited for applications that require consistent 2-way bandwidth such as video conferencing, distance learning, interactive audio/video and video on demand. Additionally, this product can be used for real time applications or prioritization of simultaneous network requests.

- **BellSouth® FastAccess® Business Speed 768** offers speeds of 768 Kbps downstream and 512 Kbps upstream. It is engineered to maximize availability and preserve a 768 Kbps x 512 Kbps access speed to and from the router. This service is provided with single or multiple Static IP and Domain Name Service (DNS); five static IP addresses are available at no additional charge. This offering is well suited for server hosting, such as Web hosting and file transfer protocol (FTP) hosting or e-mail hosting. This product is recommended for applications requiring uploading of large files such as managing an e-commerce Web site.

- **DIA - Dedicated Internet Access** is an Internet access product that does not currently use DSL as the underlying transport component, but instead uses ATM, Frame Relay, Ethernet and various other transport components over appropriately sized transport medium (T1, DS3, etc.). DIA speeds are generally symmetrical, i.e., the same both upstream and downstream, whereas with FastAccess the downstream speeds generally are significantly higher than the upstream speeds. DIA has engineered speed or bandwidth and is targeted at businesses.

- b. A description of the different types of peering arrangements or transit agreements that your company has with Internet backbone providers.**

RESPONSE:

BellSouth has only one general type of settlement-free peering arrangement with other ISPs, some of whom may be Internet backbone providers, who have a presence in any of eight carrier-neutral collocation facilities geographically dispersed throughout the continental United States and otherwise meet BLS' peering requirements as set forth in response to 28(c). At these sites, BellSouth and BellSouth's peers share one or more Gigabit Ethernet (GigE) cross connect(s) between BellSouth's routers or aggregation switches and similar equipment of the peer. Each side advertises its own address space assigned to customers and American Registry for Internet Numbers (ARIN) assigned customer address space to the peer. Then traffic flows across the GigE connections according to standard Border Gateway Protocol (BGP) practices. BellSouth does not have paid peering arrangements. BellSouth has only one general type of transit connection, which it has with the two Internet backbone providers from which BellSouth purchases transit services. BellSouth connects with both providers in three cities – Atlanta, Miami, and New Orleans – via multiple OC-48 connections to each transit provider in each city. The transit providers advertise the global Internet routing table to BellSouth. BellSouth advertises the BellSouth address space assigned to customers and ARIN assigned customer address space to the transit providers, and traffic flows across the GigE connections according to standard BGP practices.

- c. **A description of your company's current policies and contractual requirements for permitting providers access (e.g., peering, transit, dedicated access, and xDSL) to your Internet backbone service.**

RESPONSE:

BellSouth's peering policy is that it will peer on a settlement free basis with any non-current customer company with whom it currently exchanges more than 50Mbps of traffic either inbound or outbound (traffic measured separately, not combined in and out bound volumes) that is present in one or more of the eight (8) carrier neutral collocation facilities in which BellSouth has a peering POP. At these sites, BellSouth and BellSouth peers share one or more Gigabit Ethernet (GigE) cross connect(s) between BellSouth's routers or aggregation switches and similar equipment of the peer. Each side advertises its own address space assigned to customers and American Registry for Internet Numbers (ARIN) assigned customer address space to the peer. Then traffic flows across the GigE connections according to standard Border Gateway Protocol (BGP) practices.

BellSouth's peering agreements generally provide the following terms:

This Agreement shall apply only to traffic passing through the public Internet and using standard TCP/IP protocols. Virtual private data network services or other services involving protocols other than TCP/IP protocols are not covered by this Agreement. Neither party shall establish a route of last resort directed toward the other party's network or direct traffic to the other party's network via paths other than those specifically made available to that party by the other party in routing announcements. Instead, the parties will fully exchange explicit routes comprising public Internet service destinations of entities whose traffic either party is obligated to carry. Neither party shall be required to carry traffic hereunder if doing so would conflict with any condition imposed by an agreement between such party and any third party with whom such party connects. Unless otherwise agreed by the parties in writing, this Agreement applies only to traffic sent by a

party to customers or subscribers of the other party (or locations or addresses that are connected to a customer or subscriber of such party); i.e., where such traffic is within the party's domain of reachability or set of destinations which such party is serving as clients or customers. Specifically, this Agreement does not permit either party to send to the other party transit traffic that is not destined for such customers, members, subscribers or locations/addresses.

Unless in response to a legal or regulatory requirement, neither party shall provide to third parties any statistical information derived from the interconnection, except that either party may use IP header, transport header, and packet characteristic data for that party's operational needs; provided, however, that each party may provide any of its customers, members or subscribers with their own statistical data, and each party may use such data for projecting future capacity needs. Operational needs specifically shall exclude marketing communications to end users identified in such information. Either party may use data not itemized by the ISP or the ISP address for any purposes consistent with applicable law.

Any provider who does not "peer" with BellSouth can connect to the BellSouth Regional IP Backbone (or "BRIB") by becoming a customer for one or more of BellSouth's Internet access services described in the response to item 28a above, subject generally to the same standard contract terms and conditions and acceptable use policies that would be applicable to any other customers purchasing those same Internet access services from BellSouth.

- d. An explanation of the fees your company charges for transit and an explanation for any material differences in these charges assessed to particular ISPs or enterprise customers or classes thereof.**

RESPONSE:

BellSouth's Internet access services are sold to retail customers who use those services directly as well as to wholesale customers who may be regional ISPs or regional

Tier 2 backbone providers. Although regional backbones and ISPs who may purchase Internet access services from BellSouth are effectively purchasing “transit,” BellSouth does not market its services to customers as “transit.” Furthermore, BellSouth has no way to identify which of its customers are wholesale as opposed to retail users. As a result, BellSouth is unable to determine which of its Internet access customers are using BellSouth Internet access services for transit and thus is unable to provide the information requested in this Specification.

- e. **The total amount of domestic outbound volume of traffic (in terabytes/day or a similar measure) carried on your network, and the total amount of domestic inbound volume of traffic (in terabytes/day or a similar measure) carried on your network.**

RESPONSE:

In response to this Specification, BellSouth is providing the sum of inbound and outbound traffic exchanged with peers and transit providers. This data has been tracked at BellSouth only from January 2006 forward. The only other traffic on BellSouth’s network is traffic that originates and terminates on BellSouth’s network (i.e., “on net” traffic), which BellSouth does not track in the ordinary course, but BellSouth believes is nominal.

With these caveats, information responsive to this Specification is provided in Exhibit 28.e, which is “Confidential” within the meaning of the Commission’s Protective Order.

- f. **A description of how your company assesses its market presence for the Internet services described in subsection a. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss the market share or competitive position of AT&T, BellSouth or any other competitor for these services.**

RESPONSE:

BellSouth does not have any independent basis from which to estimate its market share or competitive position in the Internet services business. However, BellSouth uses Harris Interactive to conduct and aggregate market share data from 5,000-6,000 surveys per quarter, which is used to compare against the BellSouth franchise footprint where DSL and dial-up services are available. BellSouth also monitors advertising and competitor (cable) websites to determine the presence of alternative broadband providers. All documents responsive to this Specification are included in BellSouth's document production – see the following custodian documents: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Laura Reid, Michael Bowling, Doug O'Neill, Donna Lee, Martin Chandler, Keith Milner, Ken Hawkins, Rick Wheelahan, Bryan Garrett, Peter Hill.

29. For the nation and BellSouth's franchise areas, provide separately for AT&T and BellSouth in an Excel spreadsheet:

a. By customer class (as defined in Specifications 1 and 3) and Internet service (as identified in Specification 28).

i) The number of customers.

ii) The number and type of circuits connecting those customers to the Internet backbone.

RESPONSE:

To the extent available, responsive information is included in Exhibit 29.a, which is "Confidential" within the meaning of the Commission's Protective Order. BellSouth does not track the sale of individual Internet access services by state in the ordinary course of business and thus does not have readily available the number of customers and number and type of circuits for each such service by state. However, aggregate state-wide data is provided in Exhibit 29.a.

b. Revenues for each Internet service, e.g., dedicated internet access (DIA) revenue, wholesale upstream transit revenue, wholesale down-stream transit revenue.

RESPONSE:

Responsive information is included in Exhibit 29.b, which is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

c. Payments to AT&T, BellSouth and all others for each Internet service provided to your company, e.g., DIA revenue, wholesale up-stream transit revenue, and wholesale down-stream transit revenue.

RESPONSE:

Responsive information is included in Exhibit 29.c, which is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

30. Provide separately for AT&T and BellSouth in an Excel spreadsheet:

- a. The name of each person with which your company has a settlement-free peering relationship, the volume of outbound traffic (megabits per second) provided to that person, and the volume of inbound traffic (megabits per second) received from that person.**

RESPONSE:

Consistent with standard industry practice, information concerning the companies with which BellSouth has a peering relationship and the peak inbound and peak outbound traffic levels to and from these companies, to the extent such information exists, is included in Exhibit 30.a. BellSouth cannot provide the information at the level of detail requested because, prior to 2006, BellSouth's network only stored the higher of outbound traffic to or inbound traffic from the companies with which BellSouth has a peering relationship, and no record was maintained as to whether the peak traffic was outbound or inbound. Exhibit 30.a is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

- b. The name of each person with which your company has a paid peering relationship, the volume of outbound traffic (megabits per second) provided to that person, and the volume of inbound traffic (megabits per second) received from that person.**

RESPONSE:

BellSouth does not have any paid peering relationships.

- c. The names of the top 20 persons (in terms of revenues) for which your company provides transit service, the volume of outbound traffic (megabits per second) provided to each of these persons, and the volume of inbound traffic (megabits per second) provided to each of these persons.**

RESPONSE:

As noted above, BellSouth does not provide “transit” services. However, because DIA service that BellSouth offers to customers may be used as “transit,” BellSouth has provided, in Exhibit 30.c, the names of BellSouth’s twenty largest DIA customers. BellSouth does not track in the ordinary course of business the volume of inbound traffic received from or the volume of outbound traffic provided to these customers because customers typically purchase DIA service on a flat-rate basis. Exhibit 30.c is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

- d. The name of each person that provides transit to your company, the volume of outbound traffic (megabits per second) provided from your company, and the volume of inbound traffic (megabits per second) provided to your company.**

RESPONSE:

Consistent with standard industry practice, information concerning the companies that provide transit service to BellSouth and the peak inbound and peak outbound traffic levels to and from these companies, to the extent such information exists, is included in Exhibit 30.d. BellSouth cannot provide the information at the level of detail requested because, prior to 2006, BellSouth’s network only stored the higher of outbound traffic to or inbound traffic from the companies providing transit services to BellSouth, and no record was maintained as to whether the peak traffic was outbound or inbound. Exhibit 30.d is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

31. Provide:

- a. An estimate of the current total domestic level of Internet traffic, based upon an accepted industry standard (e.g., terabytes/day). Provide an explanation of the methodology used and a copy of supporting documents.**

RESPONSE:

BellSouth has not developed any information or data in the ordinary course of business to estimate Internet traffic and/or capacity.

- b. The name and estimated national market share for each Tier 1 IBP measured in terms of Internet backbone revenue, and traffic (megabits per second). Provide an explanation of the methodology and a copy of supporting documents.**

RESPONSE:

BellSouth has not developed any information or data in the ordinary course of business relating to the national market share for Tier 1 Internet Backbone Providers.

32. Provide separately for AT&T and BellSouth:

- a. The name of each person with whom your company has a peering relationship, where that peering relationship has changed from a settlement-free to paid or a paid to a settlement-free basis. Provide the date of the change and an explanation of the reason for change in the arrangement.**

RESPONSE:

BellSouth has no information responsive to this Specification because BellSouth does not have and has never had any paid peering relationships.

- b. For each person identified in Specification 32.a, the volume of outbound traffic (megabits per second) provided to that person and the volume of inbound traffic (megabits per second) received from that person and the revenues attributed to this person for the time period identified in the instructions.**

RESPONSE:

Based on BellSouth's response to Specification 32(a), this Specification is inapplicable to BellSouth.

- 33. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) relating to the company's business plans for Internet services, including strategic plans, budgets, and financial projections for this business. For regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year-to-date documents for the current year.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – *see* the following custodian documents:

Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Laura Reid, Michael Bowling, Doug O'Neill, Donna Lee, Martin Chandler, Keith Milner, Ken Hawkins, Rick Wheelahan, Bryan Garrett, Peter Hill.

- 34. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition for the Internet services described in Specification 28.a, including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) supply or demand conditions for these services; (b) customers' willingness or ability to substitute to alternative competitive services or providers; (c) competitors' willingness or ability to meet increased demand for their services; and (d) attempts to win these customers from other companies or to stem losses of these customers to other companies.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – *see* the following custodian documents:

Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Laura Reid, Michael Bowling, Doug O'Neill, Donna Lee, Martin Chandler, Keith Milner, Ken Hawkins, Rick Wheelahan, Bryan Garrett, Peter Hill.

- 35. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss AT&T's, BellSouth's or any other company's pricing strategies for the Internet services described in Specification 28.a, including any documents that report or estimate an elasticity of demand for services provided to these customers.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – *see* the following custodian documents:

Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Laura Reid, Michael Bowling,

Doug O'Neill, Donna Lee, Martin Chandler, Keith Milner, Ken Hawkins, Rick

Wheelahan, Bryan Garrett, Peter Hill.

F. Mass Market Services

36. For each BellSouth franchise area, BellSouth shall provide:

- a. The number of BellSouth’s residential wireline lines and:**
- i) The number of these lines for which BellSouth, AT&T (or SBC), Verizon (or MCI), Sprint, Qwest, or another long distance carrier is the presubscribed interstate long distance carrier.**
 - ii) The number of these lines for which there is no presubscribed interstate long distance carrier.**
 - iii) The number of these lines for which the consumer subscribes to a combined BellSouth local and long distance plan. Indicate the proportion of consumers that subscribe to: a usage per minute plan; and a plan that includes a bucket or an unlimited number of interexchange minutes.**

RESPONSE:

Information responsive to sub-parts (i) and (ii) of this Specification is provided in Exhibit 36.a.i, which provides the relevant franchise area in Column A, whether a line has an associated PIC in Column B, and totals for the relevant periods in Columns C-I. Information responsive to sub-part (iii) of this Specification is provided in and Exhibit 36.a.iii, which provides the relevant franchise area in Column A, and customer totals for BellSouth long distance subscribers in relevant categories in Columns B-H. Exhibit 36.a.i and Exhibit 36.a.iii are “Confidential” within the meaning of the Commission’s Protective Order.

- b. The number of residential lines resold by BellSouth, and the name and corresponding line counts for the top 3 purchasers of resold lines.**

RESPONSE:

Information responsive to this Specification is provided in Exhibits 36.b.1 and

36.b.2, which are both “Confidential” within the meaning of the Commission’s Protective Order.

- c. **The number of residential UNE-P lines provided by BellSouth, and the name and corresponding line counts for the top 3 purchasers of UNE-P lines.**

RESPONSE:

Information responsive to this Specification is provided in Exhibits 36.c.1 and 36.c.2, which are “Confidential” within the meaning of the Commission’s Protective Order.

- d. **The number of residential UNE-L lines provided by BellSouth, and the name and corresponding line counts for the top 3 purchasers of UNE-L lines.**

RESPONSE:

BellSouth has limited knowledge in the ordinary course of business concerning whether wholesale UNE-L lines are used to serve business or residential customers, because there is no business or regulatory reason for BellSouth to track such information.

- e. **The number of BellSouth’s residential DSL lines and the proportion of these customers for which BellSouth does not also provide wireline local exchange service.**

RESPONSE:

Information responsive to this Specification is provided in Exhibit 36.e , which is “Confidential” within the meaning of the Commission’s Protective Order.

- f. **The number of residential access lines provided by facilities-based competitive local exchange providers (*e.g.*, based on E-911 listings), and the name and corresponding line counts for the top 3 facilities-based providers.**

RESPONSE:

Estimates responsive to this Specification based on E-911 listings are provided in Exhibit 36.f , which is “Confidential” within the meaning of the Commission’s Protective Order. Rows 5-15 of Exhibit 36.f provide the relevant franchise area in Column A and total facilities-based subscriber figures for the relevant periods in Columns B-H. Rows 22-212 of Exhibit 36.f identify the relevant period in Column A, the relevant franchise area in Column B, the identity of the relevant facilities-based provider in Column C, and each provider’s estimated subscriber total in Column D.

- g. An estimate of the total number of residential consumers relying upon over-the-top VoIP for all of their voice telecommunications needs. Provide an explanation of the derivation of the estimate and a copy of the supporting documentation.**

RESPONSE:

BellSouth has limited visibility into the number of residential customers relying completely upon over-the-top VoIP for all of their voice communications needs. Based upon third-party survey data, BellSouth estimates that approximately 4 percent of the households in the total BellSouth footprint subscribe to over-the-top VoIP products. Competition from over-the-top VoIP products is discussed in BellSouth’s Consumer VoIP Cable Scorecard, which reports regularly conducted survey data that tracks competitive losses in the Consumer segment on a monthly basis. Copies of the VoIP Cable Scorecard for the period covering January 1, 2005 to June 2006 are produced in the non-custodial documents. These documents are BLS-INT-000424-001231, and are considered “Confidential” within the meaning of the Commission’s Protective Order.

- h. An estimate of the total number of residential consumers that subscribe to a mobile wireless service instead of wireline local exchange and long distance service. Provide an estimate of the proportion of these consumers that subscribe to Cingular's service. Provide an explanation of the derivation of these estimates and a copy of the supporting documentation.**

RESPONSE:

BellSouth has limited visibility into the number of residential customers relying completely upon wireless services for all of their voice communications needs.

BellSouth estimates that approximately 15 percent of the households in the total BellSouth footprint rely solely upon wireless services for their voice communications requirements, and approximately 34 percent of these households use Cingular as their wireless carrier, based upon subscription survey data from Forrester Technographics.

There are no supporting documents associated with these estimates as the Forrester data is maintained in a subscription database.

- i. An estimate of the number of residential cable broadband (e.g., cable modem) subscribers. Provide an explanation of the derivation of this estimate and a copy of the supporting documentation.**

RESPONSE:

BellSouth has limited visibility into the number of residential customers currently subscribing to residential cable broadband services. Based upon survey data, BellSouth estimates that approximately 57 percent of broadband households in the total BellSouth footprint subscribe to cable broadband services. A recent BellSouth Consumer Internet Market Share analysis, which is considered "Confidential" within the meaning of the Commission's Protective Order, is produced in the non-custodial documents. This document is numbered BLS-INT-001232-001251.

- 37. For each BellSouth franchise area, AT&T shall provide:**
- a. The number of AT&T's residential wireline lines and:**
 - i) The number of these lines for which BellSouth, AT&T (or SBC), Verizon (or MCI), Sprint, Qwest, or another long distance carrier is the presubscribed interstate long distance carrier.**
 - ii) The number of these lines for which there is no presubscribed interstate long distance carrier.**
 - iii) The number of these lines for which the consumer subscribes to a combined AT&T local and long distance plan. Indicate the proportion of consumers subscribing to: a usage per minute plan; and a plan that includes a bucket of or an unlimited number of interexchange minutes.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- b. The number of AT&T's residential CallVantage lines. Provide an estimate of the proportion of these lines in which the consumer is relying upon CallVantage for all of their voice telecommunications needs. Provide an explanation of the derivation of the estimate and a copy of the supporting documentation.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- c. An estimate of the total number of residential consumers that subscribe exclusively to wireless service instead of wireline local exchange and long distance service. Provide an explanation of the derivation of this estimate and a copy of the supporting documentation.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- d. An estimate of the total number of residential consumers that use over-the-top VoIP instead of wireline local exchange and long distance service. Provide an explanation of the derivation of the estimate and a copy of the supporting documentation.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- e. An estimate of the number of residential cable broadband (e.g., cable modem) subscribers. Provide an explanation of the derivation of this estimate and a copy of the supporting documentation.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- 38. For the nation and each BellSouth franchise area, provide separately for AT&T and BellSouth the number of residential presubscribed interstate carrier access lines regardless of whether AT&T (SBC) or BellSouth is the residential customer's local exchange carrier.**

RESPONSE:

Responsive information is included in Exhibit 38, which shows the working telephone numbers ("WTNs") that BellSouth shows as being presubscribed to BSLD.

Exhibit 38 is "Confidential" within the meaning of the Commission's Protective Order.

39. For each BellSouth franchise area, describe the state regulation, if any, that applies to a combined local and long distance service package for residential customers.

RESPONSE:

The following responses describe state regulation, if any, of BellSouth's intrastate local/long distance bundles for residential customers. The same regulations apply throughout BellSouth's franchise area within each state.

Alabama

At present, BellSouth's offering of local/long distance residential service bundles is governed by Sections 9.A (General) and E (Bundled Services) of the BellSouth Price Flexibility Plan ("Metro Plan"), which was adopted by the Alabama Public Service Commission ("PSC") on December 27, 2004 in Docket No. 28590 (*In re: Proposed Revisions to the Price Regulation and Local Competition Plan*). Under Section 9.A(1), bundles must be priced above TSLRIC. Section 9.A(2) states that the Plan assumes that a pro-rata allocation of the discount in retail price associated with the entire offering is applicable to the regulated services portion of the offering unless demonstrated otherwise. Regulated services that already are priced at or below TSLRIC due to regulatory mandate (*e.g.*, 1FR service) are excluded from the cost floor limitation and the pro-rata discount allocation. Section 9.E requires BellSouth to offer bundles to all qualified customers on a nondiscriminatory basis and details certain supporting information BellSouth must file when it introduces a new bundled offering.

As of September 1, 2006, the Alabama PSC loses jurisdiction over the costs, rates, charges, and terms and conditions of bundled offerings sold on and after that date, Code of Alabama Section 37-2A-4(d), and on March 1, 2007, the Alabama PSC loses

jurisdiction over existing bundled offerings as well. 37-2A-4(g). The Alabama PSC will retain jurisdiction over residential bundles for the purposes of fielding complaints concerning some aspects of billing and the “establishment or disruption of telecommunications service.” 37-2A-4(c).

Florida

There are no regulations that specifically govern local/intrastate long distance bundles in Florida. However, Florida’s price cap statute, Section 364.051, regulates the pricing of basic and nonbasic services. Florida law defines basic service as “voice-grade, flat-rate residential, and flat-rate single line business local exchange service which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multifrequency dialing and access to” 911, all locally available interexchange companies, Directory Assistance, Operator Service, relay services, and a directory listing. *See* 364.02(1), Florida Statutes. Nonbasic service is defined as “any telecommunications service provided by a local exchange telecommunications company other than a basic local telecommunications service, a local interconnection agreement described in s. 364.16, or a network access service described in s. 364.163.” *See* 364.02(10), Florida Statutes.

BellSouth considers the local service component of a local/intrastate, interLATA long distance bundle as being governed by the nonbasic service provisions of the price-cap statute. If the bundle includes local/intrastate, intraLATA long distance, then BellSouth considers the whole bundle to be governed by the nonbasic service provisions of the price cap statute.

Georgia

BellSouth's offerings that bundle local and long distance services were detariffed by GPSC Order in Docket No. 27029-U (Oct. 20, 2005), although prices must exceed long run incremental cost. In addition, BellSouth has tariff language for "Special Arrangements." In particular, General Subscriber Services Tariff A2.2.12 states: "Arrangements may be developed by the Company and, at the Company's discretion, offered on a case-by-case basis taking into account special customer considerations including, but not limited to, volume or term commitments, bundled services, in response to a competitive offering, or for a service not generally offered under this tariff. ICB rates and terms will be offered to the Customer in writing and/or a contract entered into between the Company and the Customer."

Kentucky

With the implementation of House Bill 337 effective July 12, 2006, BellSouth's bundles, including bundles of local and long distance service for residential customers, will no longer be subject to regulation. The only exception involves a bundle for a customer with basic local service and no other features, who has been defaulted to BellSouth's Message Toll Service ("MTS"). In that case, the basic portion of the customer's service will remain regulated, while the MTS will be deregulated.

Louisiana

There are no Louisiana regulations that specifically govern a combined local and

long distance package for residential customers. The general pricing rules contained in BellSouth's consumer price protection plan (Section 701, LPSC Regulations for Competition in the Local Telecommunications Market) would apply to these combinations of telecommunications services, including the applicable price caps (Section 701.G, as modified in LPSC Order No. U-24802 dated May 2, 2000 and LPSC Order No. U-24802-B dated Feb. 20, 2004), the cost floor rule (Section 701.H), the cross-subsidy rule that prohibits non-basic services from receiving revenue support from basic services (Section 701.G.9), and the imputation rule (Section 701.H and LPSC Order No. U-20710 dated 3/24/94).

Mississippi

Pursuant to House Bill 1252 (amending Miss. Code Ann. Section 77-3-35), which was passed earlier in 2006, a combination of a local line and long distance service provided by the same carrier was deregulated effective July 1, 2006. Accordingly, single line flat-rate voice communication service purchased with long distance service is not subject to regulation by the Mississippi PSC. However, standalone local service from BellSouth continues to be regulated by the Mississippi PSC.

North Carolina

A combined local and long distance service offering for residential customers would be a "bundled offering" under BellSouth's modified price regulation plan and would not be a tariffed offering. *Order Approving Modified Price Regulation Plan*, Docket No. P-55, Sub 1013, April 29, 2005. Customers enter into private contracts with BellSouth that govern the rates, terms and conditions of these bundled offerings.

South Carolina

A combined local and long distance service package for residential customers may be subject to general regulation depending upon how it is structured. However, under South Carolina law, the South Carolina PSC is precluded from regulating “bundled offerings” or “contract offerings” as those terms are defined by statute. *See* S.C. Code Ann. §58-9-285. If the offering meets the statutory definition of either a “bundled offering” or a “contract offering” (both of which are discussed below), the South Carolina PSC “[must not] impose any requirements related to the terms, conditions, rates, or availability” of the offering “or otherwise regulate” the offering. *Id.* §58-9-285(B). The statute goes on to provide that “[w]ithout limiting the foregoing, upon the filing of a complaint by an end use purchaser of a bundled offering or a contract offering, the commission may enforce the terms and conditions of a bundled offering or a contract offering under the same principles that apply when a court of general jurisdiction enforces the terms and conditions of an unregulated contract between two parties. No person or entity other than the end user purchaser that filed the complaint and the [carrier] that provides the bundled offering or contract offering that is the subject of such complaint shall be a party to any such complaint proceeding before the commission.” *Id.* §58-9-285(B)(2). An offering is a “bundled offering” if it: combines two or more products or services at single price; is advertised and sold as a bundled offering at rates, terms, or conditions that are different than if the services are purchased separately under the tariff; and each regulated product or service in the offering is available on a stand-alone basis under a tariff on file with the South Carolina PSC. *Id.* §58-9-285(A)(1). An offering is “contract offering” if it is “memorialized in writing” and if it offers any

tariffed product or service “to any customer at rates, terms, or conditions that differ from those” set forth in the tariff. *Id.*, §58-9-285(A)(2).

Tennessee

Any combination or bundle of retail services, including an offering of combined local and long distance service for residential customers, is not subject to regulation by the Tennessee Regulatory Authority. See T.C.A. 65-37-103.

- 40. Explain how AT&T has complied with applicable rate integration and geographic rate averaging requirements of section 254, and how the merged entity would comply with these requirements if the merger is approved.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- 41. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss: (a) AT&T's and BellSouth's market share for residential or mass market telephony services in BellSouth's region; (b) consumer willingness to subscribe to residential or mass market telephony services offered by AT&T; or (c) BellSouth's loss of mass market or residential customers to AT&T's service offerings within BellSouth's region.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – *see* the following custodian documents:

Barry Boniface, Jean Calloway, Bob McCarthy, Joey Schultz, Susan Callaghan, Maggie Robinson-Hatfield, Michael Bowling, Doug O'Neill, Laura Reid.

- 42. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss the extent to which residential or mass market consumers within BellSouth's region subscribe to VoIP services or to mobile wireless services in lieu of wireline local exchange and exchange access services.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – *see* the following custodian documents: Barry Boniface, Jean Calloway, Bob McCarthy, Joey Schultz, Susan Callaghan, Maggie Robinson-Hatfield, Michael Bowling, Doug O'Neill, Laura Reid.

G. International

Submarine Cable Ownership and Capacity.

- 43. The application for transfer of control of BellSouth's cable landing licenses, SCL-T/C-20060331-00003, provides information on three cable systems in which BellSouth has an ownership interest — MAYA-1, TAT- 14, and the Pan American Cable. It does not, however, include any ownership interests that BellSouth or its affiliates may have in cable landing stations. Please describe any (including less than 5 percent) ownership interests that BellSouth or its U.S. affiliates may have in any cable landing stations on these or other cable systems.**

RESPONSE:

BellSouth does not have an ownership interest in any cable landing station.

- 44. The Public Interest Showing states that BellSouth holds an Indefeasible Right of Use (IRU) in the South American Crossing cable. Please provide information on this IRU and any other IRU that BellSouth or its U.S. affiliates may have, including the capacity included in the IRU and the total capacity of the cable system.**

RESPONSE:

BellSouth assigned its rights in the above-referenced IRU to a third party, Compania de Radiocomunicaciones Moviles SA, and no longer holds any international IRU interests. This assignment was effective as of March 31, 2006 and covered one (1) STM-1 of capacity between Global Crossing's facility located at 36 N.E. 2nd Street, Miami, FL 33131 and that point on South American Crossing System located at 12 miles outside of the United States mainland.

- 45. Please provide information on any ownership interest or IRU that AT&T may have in any cable system or cable landing station in which BellSouth has an ownership interest or IRU, including, but not limited to, TAT-14, MAYA-1, the Pan American Cable and the South American Crossing cable. Specifically, consistent with section 1.767(a)(11)(i) of the rules, please identify, on a segment-specific basis, the ownership interests held by AT&T and its affiliates collectively as set out in each cable's Construction and Maintenance Agreement (C&MA).**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

International Telecommunications Services.

- 46. For AT&T and its U.S. affiliates (but not Cingular), please provide in Excel spreadsheets, for reporting year 2004 and for the most recent year, the following information: (1) the minutes and revenues for U.S.-international traffic that AT&T carried over its own facilities on a route-by-route basis for all destination markets; (2) the minutes and revenues for U.S.-international traffic that AT&T provided as a pure reseller on a world-total basis; and (3) the underlying carriers AT&T uses when providing U.S.-international resale services, and the relative percentage of AT&T's minutes of U.S.-international resale traffic carried by each underlying carrier.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- 47. For BellSouth and its U.S. affiliates (but not Cingular), please provide in Excel spreadsheets, for reporting year 2004 and for the most recent year, the following information: (1) the minutes and revenues for U.S.-international traffic that BellSouth carried over its own facilities on a route-by-route basis for all destination markets; (2) the minutes and revenues for U.S.-international traffic that BellSouth provided as a pure reseller on a world-total basis; and (3) the underlying carriers BellSouth uses when providing U.S.-international resale services and the relative percentage of BellSouth's minutes of U.S.-international resale traffic carried by each underlying carrier.**

RESPONSE:

Information in response to subparts (1) and (2) is included in Exhibit 47.1, which is "Confidential" within the meaning of the Commission's Protective Order. Information responsive to subpart (3) is included in Exhibit 47.2, which is "Highly Confidential" within the meaning of the Commission's Second Protective Order.

- 48. For Cingular and its U.S. affiliates (but not AT&T and BellSouth), please provide in Excel spreadsheets, for reporting year 2004 and for the most recent year, the following information: (1) the minutes of traffic and revenues for U.S.-international traffic that Cingular carried over its own facilities on a route-by-route basis for all destination markets; (2) the minutes and revenues for U.S.-international traffic that Cingular provided as a pure reseller on a world-total basis; and (3) the underlying carriers Cingular uses when providing U.S.-international resale services and the relative percentage of Cingular's minutes of U.S.-international resale traffic carried by each underlying carrier.**

RESPONSE:

This Specification is not applicable to BellSouth. Responsive information is included in AT&T's filing in response to this Specification.

- 49. For (1) AT&T and its U.S. affiliates (but not Cingular), (2) BellSouth and its U.S. affiliates (but not Cingular), and (3) Cingular and its U.S. affiliates (but not AT&T and BellSouth), please provide in Excel spreadsheets for reporting year 2004 and for the most recent year, the world-total minutes and revenues for facilities-based U.S.-international traffic and pure resale U.S.-international traffic (combined) received from the following classes of customers: (1) residential; (2) business and government; (3) other U.S. carriers; (4) foreign carriers (except for traditional transit); and (5) the world-total minutes and revenues received for providing traditional transit.**

RESPONSE:

Responsive information is included in Exhibit 49, which is “Highly Confidential” within the meaning of the Commission’s Second Protective Order.

- 50. For (1) AT&T and its U.S. affiliates (but not Cingular) that provide U.S.-international service through prepaid calling cards, and (2) BellSouth and its U.S. affiliates (but not Cingular) that provide U.S.-international service through prepaid calling cards, please provide in Excel spreadsheets information on the revenues and minutes associated with the calls placed using those prepaid calling cards. Please describe how (1) AT&T and its U.S. affiliates (but not Cingular) and (2) BellSouth and its U.S. affiliates (but not Cingular) market those prepaid calling cards.**

RESPONSE:

Neither BellSouth nor any of its U.S. affiliates is a telecom provider of prepaid card services. BellSouth (through its Section 272 affiliate BSLD) is a sales agent of prepaid cards for U.S. South (an affiliate of InComm), an Atlanta based telecommunications company. BellSouth does not set the price or minute denominations for these prepaid cards. BellSouth does not receive the wholesale or retail revenue from the sale of prepaid cards. BSLD secures and manages distribution channels for U.S. South for which it receives a commission. BSLD provides retailers with some point of sale merchandising materials. These retailers display and sell prepaid cards over the counter or by vending machines. They are billed and remit payment to U.S. South. BellSouth does not have access to the number or destination of minutes used on these cards.

Global Telecommunications Services (GTS).

- 51. Please provide individually for AT&T and BellSouth the total number of GTS customers. Please provide for the total of AT&T's GTS customers for the reporting year 2004 and for the most recent year, the following information: (1) the aggregate revenues for U.S.-international traffic that AT&T carried over its own facilities or provided as a pure reseller; and (2) aggregate revenues for all traffic originating outside the United States that AT&T carried over its own facilities or provided as a pure reseller. Please provide for the total of BellSouth's GTS customers for the reporting year 2004 and for the most recent year, the following information: (1) aggregate revenues for U.S.-international traffic that BellSouth carried over its own facilities or provided as a pure reseller; and (2) aggregate revenues for all traffic originating outside the United States that BellSouth carried over its own facilities or provided as a pure reseller.**

RESPONSE:

During the reporting period, BellSouth did not provide any GTS services.

Information related to AT&T's provision of GTS services is included in AT&T's filing in response to this Specification.

- 52. In Excel spreadsheets please identify all suppliers (not just U.S. suppliers) of GTS and their respective shares of the GTS market, including each of AT&T's and BellSouth's market share. Please provide the information sources for the answers, including sources for the definition of the GTS market.**

RESPONSE:

As explained in the response to Specification 51, BellSouth did not provide any GTS services during the reporting period. Information related to AT&T's provision of GTS services is included in AT&T's filing in response to this Specification.

H. Public Interest Analysis

53. Provide:

- a. **A description of each asserted benefit or efficiency arising from the merger, including the steps that AT&T, BellSouth, and Cingular will take to achieve these benefits or efficiencies, the costs the company will incur to achieve these benefits or efficiencies, the risks involved in achieving these benefits or efficiencies, the underlying assumptions for achieving these benefits or efficiencies, and the time required to achieve these benefits or efficiencies.**

RESPONSE:

Responsive information is included in AT&T's filing in response to this Specification.

- b. **An estimate of the yearly benefits, costs, and risks attributable to the merger, and an explanation of whether these benefits, costs and risks will have a one-time or multi-time period effect.**

RESPONSE:

Responsive information is included in AT&T's filing in response to this Specification.

- c. **A detailed explanation of the methodology used to estimate the benefits, costs, and risks, and a detailed explanation of the methodology's underlying assumptions.**

RESPONSE:

Responsive information is included in AT&T's filing in response to this Specification.

- d. **A detailed explanation of how the proposed transaction permits the merged company to achieve these benefits, why the merger of AT&T and BellSouth is necessary to achieve these benefits, and why these benefits could not be reaped by AT&T alone or by merging with another firm.**

RESPONSE:

Responsive information is included in AT&T's filing in response to this Specification.

- e. **A discussion of whether and how these benefits will be passed on to residential, business and government customers with regard to price reductions, enhanced quality of existing services, new services, or any other benefits. In addition, quantify the size of these benefits to these customers, whether this will be a one-time or multi-period benefit, and an explanation of why the merger is necessary for AT&T and BellSouth to achieve these benefits for these customers.**

RESPONSE:

Responsive information is included in AT&T's filing in response to this Specification.

- f. **A copy of all documents and spreadsheets prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) that were used to prepare the response to Specification 53.**

RESPONSE:

Responsive documents are provided in AT&T's filing in response to this Specification.

54. Provide:

- a. A copy of all documents prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) that discuss the merger integration strategy.**

- b. A copy of all documents prepared expressly for AT&T, BellSouth, or Cingular that discuss the benefits the merged entity could reap from a larger footprint, including the effect of the merger on the company's incentives or abilities to discriminate against other companies.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – see the following custodian documents:
Barry Boniface and Bob McCarthy.

- 55. Provide all documents prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) that discuss the proposed acquisition's impact:**
- a. On AT&T's, BellSouth's, or the merged entity's control of Cingular.**

 - b. On the modification or development of Cingular's strategic goals and pricing structure for its service offerings offered in-region or out-of-region of the merged entity's combined franchise areas.**

RESPONSE:

Any documents responsive to this Specification, to the extent that they exist, are included in BellSouth's document production – *see* the following custodian documents:
Barry Boniface, Bob McCarthy.

- 56. Provide all documents cited in the Public Interest Statement and supporting declarations, as well as any data or competitive analyses relied upon in preparing those documents, grouped by declaration/Public Interest Statement.**

RESPONSE:

Responsive documents are provided in AT&T's filing in response to this Specification.