BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

June 1, 2001

IN RE:	)	
	)	
BELLSOUTH TELECOMMUNICATIONS, INC.	)	DOCKET NO.
TARIFF TO REVISE THE LIFELINE TARIFF	)	00-00469
TO COMPLY WITH FCC CALLS ORDER	)	

ORDER APPROVING TARIFF

This matter came before the Tennessee Regulatory Authority (the "Authority") at the regularly scheduled Authority Conference held on June 20, 2000 for consideration of BellSouth Telecommunications, Inc.'s ("BellSouth") Tariff to Revise the Lifeline Tariff to Comply with Federal Communications Commission ("FCC") CALLS Order.[1] The Tariff was originally filed with the Authority on June 6, 2000, with a proposed effective date of July 1, 2000.

This Tariff revises BellSouth's existing Lifeline Tariff to comply with the FCC CALLS Order, which adopted changes in access reform and universal service proposed by the Coalition for Affordable Local and Long Distance Service ("CALLS"). The CALLS Order also authorized an increase in the Federal Lifeline baseline credit from $5.25 to $6.10 in order to shield low-income subscribers from an $0.85 increase in the Subscriber Line charge ("SLC") scheduled for July 1, 2000.[2] The State credit and Federal matching credit are not changed by this tariff filing.

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[1] FCC's *Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, and Eleventh Report and Order in CC Docket No. 96-45* (May 31, 2001).
[2] The Subscriber Line charge was increased from $3.50 to $4.35.

On June 16, 2000, Discount Communications, Inc. ("Discount") filed a *Petition of Discount Communications, Inc. to Convene a Contested Case and to Intervene* in this docket. Discount asserts that BellSouth amended its Lifeline Tariff in violation of FCC rules 51.607(a) and 51.603,[3] which, according to Discount, require BellSouth to offer Lifeline service for resale at a wholesale rate that is equal to BellSouth's "retail rate," less avoided costs, and "subject to the same terms and conditions" as the service BellSouth offers to its own end users.

On June 19, 2000, BellSouth filed an *Objection to Petition of Discount Communications to Convene a Contested Case and to Intervene* and later supplemented this objection with *Exhibit 1* (inadvertently not attached to BellSouth's earlier filing). BellSouth argued that the Lifeline Tariff change was filed for the limited purpose of increasing the Federal baseline credit amount by $0.85 to offset a corresponding increase in the SLC charge authorized by the FCC to become effective July 1, 2000. BellSouth maintains that this change would not substantively alter the terms and conditions of reselling service to Lifeline subscribers.

At the June 20, 2000 Conference, the Authority allowed oral argument from the parties, and after considering their positions, recognized that the underlying issue[4] had been decided two weeks earlier on June 6, 2000 in Docket No. 00-00230, *In Re: Complaint of Discount Communications against BellSouth Telecommunications, Inc.* Upon consideration of the instant matter, a majority[5] of the Directors decided not to convene a contested case at this
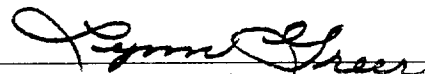
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[3] 47 CFR §§ 51.607(a) and 51.603.
[4] Discount continues to argue that FCC rules require BellSouth to offer Lifeline service for resale at a wholesale rate that is equal to BellSouth's "retail rate," less avoided costs, and "subject to the same terms and conditions" as the service BellSouth offers to its own end users.
[5] Director Kyle, having dissented against the underlying issue in Docket No. 00-00230, likewise did not vote with the majority in this docket.

time and to approve the Tariff as filed. Discount was assured that its recourse of filing a complaint against the Tariff was available at any time.

IT IS THEREFORE ORDERED THAT THE TARIFF IS APPROVED.

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Melvin J. Malone, Chairman

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H. Lynn Greer, Jr., Director

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Sara Kyle, Director

ATTEST:

_____
K. David Waddell, Executive Secretary

* * * Director Kyle voted to approve Discount's petition to intervene and convene a contested case to consider this tariff, and did not vote to approve the Tariff.