

STATE OF TENNESSEE

Office of the Attorney General



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April 5, 2004

Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

IN RE: PETITION FOR EXEMPTION OF CERTAIN SERVICES,
Docket 03-00391

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Consumer Advocate and Protection Division's First Set of Discovery Requests to BellSouth Telecommunications, Inc. in regards to Docket No. 03-00391. Kindly file same in this docket. Copies are being sent to all parties of record. If you have any questions, kindly contact me at (615) 741-1671. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Shirley".

Joe Shirley
Assistant Attorney General

CC: All Parties of Record.

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**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:	)	
	)	
PETITION FOR EXEMPTION OF	)	
CERTAIN SERVICES	)	DOCKET NO. 03-00391
	)	
	)	

**CONSUMER ADVOCATE AND PROTECTION DIVISION'S
FIRST SET OF DISCOVERY REQUESTS TO
BELLSOUTH TELECOMMUNICATIONS, INC.**

Comes now Paul G. Summers, Attorney General and Reporter for the State of Tennessee, through the Consumer Advocate and Protection Division of the Office of the Attorney General ("Consumer Advocate"), pursuant to Tenn. Code Ann. § 65-4-118(c)(2)(A) and the Tennessee Rules of Civil Procedure, and hereby propounds the following Discovery Requests to:

BellSouth Telecommunications, Inc.
c/o Joelle Phillips, Esq.
333 Commerce Street, Suite 2101
Nashville, Tennessee 37201-3300

These Interrogatories and Requests for Production are hereby served upon BellSouth Telecommunications, Inc. ("BellSouth" or "Company"), pursuant to Rules 26, 33 and 34 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg 1220-1-2-.11. The Consumer Advocate requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate and Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Joe Shirley, on or before April 19, 2004.

PRELIMINARY MATTERS AND DEFINITIONS

Each Discovery Request calls for all knowledge, information and material available to BellSouth, as a party, whether it be BellSouth's, in particular, or knowledge, information or material possessed or available to BellSouth's attorney or other representative.

These Discovery Requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by BellSouth which would make a prior response inaccurate, incomplete, or incorrect. In addition, the Consumer Advocate requests that BellSouth supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

These Discovery Requests are to be interpreted broadly to fulfill the benefit of full discovery. To assist BellSouth in providing full and complete discovery, the Consumer Advocate provides the following definitional guidelines for purposes of responding to these Interrogatories and Requests for Production.

The term "communication" as used herein, means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

The term "document" as used herein, means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not

limited to any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or record, or other data compilation in any form without limitation. Produce the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, report, memorandum (including memoranda, note or report of a meeting or conversation), spreadsheet, photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when. If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy), each version shall be treated as a different document and each must be identified and produced.

The term “you” and “your” shall mean and include: BellSouth Telecommunications, Inc. and all employees, agents and representatives thereof.

The term “person” or “persons” as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served, all responses must include the company’s response. Moreover, the company’s designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.*

The term “identity” and “identify” as used herein, with respect to any person, means to provide their name, current business address, current business telephone number, and the

occupation or job title of that person; with respect to an entity, those terms that mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms that mean to provide the date of the document, the nature of the document, and the title (if any) of the document.

The terms “and” and “or” shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

If you produce documents in response to these Interrogatories, produce the original of each document or, in the alternative, identify the location of the original document. If the “original” document is itself a copy, that copy should be produced as the original.

If any objections are raised on the basis of privilege or immunity, include in your response a complete explanation concerning the privilege asserted.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

If any of the Interrogatories or Requests for Production is not answered on the basis of privilege or immunity, include in your response to each such Interrogatory or Request for Production a written statement evidencing:

- (a) the nature of the communication;
- (b) the date of the communication;
- (c) the identity of the persons present at such communication; and
- (d) a brief description of the communication sufficient to allow the Tennessee

Regulatory Authority (“TRA”) to rule on a motion to compel.

If, for any reason, you are unable to answer a Discovery Request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested. If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If any information requested is not furnished as requested, state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

FIRST DISCOVERY REQUESTS

INTERROGATORIES

Consistent with the preceding definitions and preliminary matters, answer under oath the following specific Interrogatories:

Interrogatory No. 1

The *Petition for Exemption of Certain Services* states on page 3: “Within the context of this vigorously competitive environment, Tenn. Code Ann. § 65-5-208(b) requires the Authority to exempt these services from certain regulatory requirements contained in Tenn. Code Ann. Title 65, Chapter 4, Part II.” Identify each and every “certain regulatory requirement” from which the Company seeks an exemption for intraLATA toll service.

Response:

Interrogatory No. 2

For each regulatory requirement identified in response to Interrogatory No. 1, describe in detail how the proposed exemption of intraLATA toll service would be implemented, including, but not limited to, the effect or potential effect of the exemption on current operations, agreements, and remaining regulatory obligations. For instance, if the Company is seeking to deregulate the price of intraLATA toll service, include in your response a description of proposed changes to the Company's price cap calculation; if the Company is seeking to remove intraLATA toll service from tariffing requirements, include in your response a description of the filings necessary to de-tariff the service as well as the impact that de-tariffing would have on obligations and agreements involving long distance resellers, etc.

Response:

Interrogatory No. 3

The *Petition for Exemption of Certain Services* states on page 1: "Like interLATA toll service, intraLATA toll is highly competitive." The *Petition* further states on page 3: "Within the context of this vigorously competitive environment, Tenn. Code Ann. § 65-5-208(b) requires the Authority to exempt these services from certain regulatory requirements contained in Tenn. Code Ann. Title 65, Chapter 4, Part II." Set forth in detail all facts upon which the Company relies to support its conclusion that "intraLATA toll is highly competitive" and that there is a "vigorously competitive environment" relative to the intraLATA toll service market in Tennessee.

Response:

Interrogatory No. 4

Identify each and every intraLATA toll service tariff offering that would be exempted from regulation if the *Petition for Exemption of Certain Services* is approved as filed. In your response, include a description of the service and a reference to the associated tariff section number(s) in the Company's tariff(s).

Response:

Interrogatory No. 5

For each intraLATA toll service identified in response to Interrogatory No. 4, set forth the price of service per the Company's tariff as of the following dates, as applicable: (1) January 1, 1999; (2) June 30, 1999; (3) January 1, 2000; (4) June 30, 2000; (5) January 1, 2001; (6) June 30, 2001; (7) January 1, 2002; (8) June 30, 2002; (9) January 1, 2003; (10) June 30, 2003; (11) January 1, 2004.

Response:

Interrogatory No. 6

Since January 1, 1999, has the Company ever reduced the price of any intraLATA toll service offering in response to a competitive offering of such service (or service substitute) by a competing company or person? If so, provide a summary of each such rate reduction, including a description of the competitive offering that prompted the rate reduction.

Response:

Interrogatory No. 7

Provide the amount of annual revenue generated from the provisioning of intraLATA toll service by the Company in Tennessee for each of the last five calendar years, 1999 through 2003.

Response:

Interrogatory No. 8

Provide the amount of annual intraLATA toll service minutes of use ("MOU") provided by the Company in Tennessee for each of the last five calendar years, 1999 through 2003.

Response:

Interrogatory No. 9

For each of the last five calendar years, 1999 through 2003, provide the Company's share of the statewide intraLATA toll service market (or best estimate of market share) expressed as a percentage of the intraLATA toll service revenue provided in response to Interrogatory No. 7.

Response:

Interrogatory No. 10

For each of the last five calendar years, 1999 through 2003, provide the Company's share of the statewide intraLATA toll service market (or best estimate of market share) expressed as a percentage of the intraLATA toll service MOUs provided in response to Interrogatory No. 8.

Response:

Interrogatory No. 11

Provide the Company's cost per MOU for intraLATA toll service.

Response:

Interrogatory No. 12

Provide the Company's gross margin per MOU for intraLATA toll service.

Response:

Interrogatory No. 13

Set forth and describe all factors, and facts in support thereof, demonstrating that competition would be an effective regulator of price for intraLATA toll service in Tennessee.

Response:

Interrogatory No. 14

If the *Petition for Exemption of Certain Services* is granted as filed, will the Company increase the current rate for any intraLATA toll service offering within the next year subsequent to the granting of the exemption?

Response:

Interrogatory No. 15

If your response to Interrogatory No. 14 is anything other than an unqualified “no,” set forth and explain in detail all reasons why exemption of intraLATA toll service from certain regulatory requirements would cause the rate for such service to increase in the short term (i.e., within one year from exemption).

Response:

Interrogatory No. 16

The *Petition for Exemption of Certain Services* states on pages 1 and 2: “In addition to the numerous LECs providing the service, intraLATA toll service is also provided by interexchange carriers.” Identify those persons or companies that provide intraLATA toll services (or service substitutes) that compete with the intraLATA toll service offerings of the Company. In your response, identify the Tennessee LATA(s) where those persons or companies currently provide such services (or service substitutes).

Response:

Interrogatory No. 17

The *Petition for Exemption of Certain Services* states on page 2: “Many of these providers offer such services using low ‘all you can eat’ pricing.” For each person or company identified in response to Interrogatory No. 16, provide all information regarding the price and pricing policies of the person or company’s intraLATA toll services (or service substitutes).

Response:

Interrogatory No. 18

The *Petition for Exemption of Certain Services* states on page 2: “In addition, these services are provided, using prepaid calling cards, by other companies.” Identify those persons or companies that provide intraLATA toll services (or service substitutes) via prepaid calling cards. In your response, identify the Tennessee LATA(s) where those persons or companies currently provide such services (or service substitutes).

Response:

Interrogatory No. 19

For each person or company identified in response to Interrogatory No. 18, provide all information regarding the price and pricing policies of the person or company's intraLATA toll services (or service substitutes) provided via prepaid calling cards.

Response:

Interrogatory No. 20

The *Petition for Exemption of Certain Services* states on page 2: "Further, wireless carriers provide such services pursuant to nationwide calling plans." Identify those persons or wireless carriers that are providing intraLATA toll services (or service substitutes) pursuant to nationwide calling plans. In your response, identify the Tennessee LATA(s) where those persons or wireless carriers currently provide such services (or service substitutes).

Response:

Interrogatory No. 21

For each person or wireless carrier identified in response to Interrogatory No. 20, provide all information regarding the price and pricing policies of the person or wireless carrier's intraLATA toll services (or service substitutes) provided pursuant to nationwide calling plans.

Response:

Interrogatory No. 22

In Docket No. 00-00523, *In Re: Universal Service for Rural Areas — The Generic Docket*, BellSouth and a Rural Coalition of independent local telephone companies and cooperatives are discussing the need for significant change to the current intraLATA toll service settlement process. Explain in detail the effect or potential effect that exemption of intraLATA toll service from regulatory requirements may have on the outcome of Docket No. 00-00523.

Response:

Interrogatory No. 23

In Docket No. 00-00523, *In Re: Universal Service for Rural Areas — The Generic Docket*, BellSouth and a Rural Coalition of independent local telephone companies and cooperatives are discussing the need for significant change to the current intraLATA toll service settlement process. Explain in detail the effect or potential effect that exemption of intraLATA toll service from regulatory requirements may have on the intraLATA toll service settlement process.

Response:

Interrogatory No. 24

Provide a list of all communications that the Company has had regarding the exemption of intraLATA toll service from regulatory requirements, including, but not confined to: communications between or among Company personnel; communications between or among the Company and other persons or companies; and communications between or among the Company and federal and state regulatory officials, policymakers, legislators, or other public officials.

Response:

REQUESTS FOR PRODUCTION

Consistent with the preceding definitions and preliminary matters, produce the following communications and documents:

Request for Production No. 1

Identify and produce a copy of all communications and documents pertaining or referring to the exemption of intraLATA toll service from regulatory requirements in Tennessee.

Response:

Request for Production No. 2

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the status of competition in the intraLATA toll service market in Tennessee.

Response:

Request for Production No. 3

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the effect or potential effect of the exemption of intraLATA toll service from regulatory requirements in Tennessee.

Response:

Request for Production No. 4

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the Company's market share and/or competitive position in the intraLATA toll service market in Tennessee.

Response:

Request for Production No. 5

Identify and produce a copy of all communications and documents that discuss, review, analyze, mention or refer to the issue of whether existing and/or potential competition is an effective regulator of price for intraLATA toll service in Tennessee.

Response:

Request for Production No. 6

Identify and produce a copy of all communications and documents that discuss, review, analyze, mention or refer to the issue of whether the exemption of intraLATA toll service from regulatory requirements in Tennessee is in the public interest.

Response:

Request for Production No. 7

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the Company's cost and/or gross margin for intraLATA toll service.

Response:

Request for Production No. 8

Identify and produce a copy of all communications and documents pertaining or referring to any study, survey, analysis, review, summary, comment or report of any kind regarding the Company's current business and marketing plans or strategies involving the intraLATA toll service market in Tennessee.

Response:

Request for Production No. 9

Identify and produce a copy of any and all communications and documents reviewed to prepare your responses to these Interrogatories and Requests for Production.

Response:

OATH

STATE OF _____

COUNTY OF _____

I, _____, on behalf of BellSouth Telecommunications, Inc., being first duly sworn according to law, make oath that the preceding answers and responses to the Interrogatories submitted by the Consumer Advocate and Protection Division of the Office of the Attorney General are true, accurate and correct to the best of my knowledge, information and belief.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: _____

Its: _____

Sworn to and subscribed before me this _____ day of _____, 2004.

Notary Public

My Commission Expires: _____

RESPECTFULLY SUBMITTED,

PAUL G. SUMMERS, B.P.R. #6285
Attorney General
State of Tennessee



JOE SHIRLEY, B.P.R. #022287
Assistant Attorney General
Office of the Attorney General
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202
(615) 532-2590

Dated: April 5, 2004

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via facsimile or first-class U.S. Mail, postage prepaid, on April 5, 2004, upon:

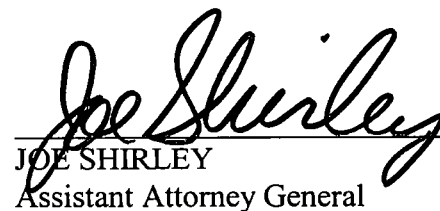
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JOE SHIRLEY
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