

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**NOVEMBER 18, 1999**

**IN RE:**

**BELLSOUTH TELECOMMUNICATIONS, INC.  
TARIFF FILING TO OFFER CONTRACT  
SERVICE ARRANGEMENT (TN 97-7318-03)**

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**DOCKET NO.  
99-00081**

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**ORDER GRANTING APPROVAL OF BELLSOUTH  
CONTRACT SERVICE ARRANGEMENT (TN 97-7318-03)**

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This matter came before the Tennessee Regulatory Authority ("Authority") on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 97-7318-03 ("CSA"). BellSouth filed Tariff No. 99-00081 on February 8, 1999, with a proposed effective date of March 10, 1999. The Directors of the Authority considered this matter at the regularly scheduled Authority Conference held on March 2, 1999, and unanimously suspended the tariff until March 17, 1999, to allow time for additional review.

The Directors of the Authority next considered this matter at the regularly scheduled Authority Conference held on March 16, 1999. Based upon careful consideration of the tariff filing and the attachments thereto, the Authority finds and concludes the following:

**FILE**

1. The purpose of this CSA is to provide Primary Rate ISDN to the customer identified in the filing. Primary Rate ISDN supports the simultaneous transmission of voice, data, and packet services on the same exchange access line.

2. The term of this CSA is twenty-four (24) months and it is designed to provide Primary Rate ISDN at an overall rate comparable to competitive alternatives. Through this CSA, BellSouth is offering the customer a total discount of 54% off the general tariff rate during the term of the contract.

3. No parties sought to intervene in this docket.

Based upon the foregoing, as well as further concluding that certain consumers are getting lower rates in Tennessee<sup>1</sup> and that nothing in the CSA conflicts with the criteria for special contracts,<sup>2</sup> a majority of the Directors of the Authority determined that, in this docket, the CSA should be granted.<sup>3</sup>

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<sup>1</sup> When making her motion to approve this CSA, Director Kyle agreed that "customers are better off with these agreements than they are under the general tariff...." Transcript of March 16, 1999 Authority Conference, p. 55.

<sup>2</sup> Director Greer did not find this CSA in conflict with either Tenn. Code Ann. § 65-4-122(a) or § 65-5-208(c), and stated further, that "Rule 1220-4-1-.07 impose[s] no restrictions, nor d[oes] it give us a road map. And I don't find any compelling reason to deny these CSAs based upon our rules." (*Id.*, pp. 50-51).

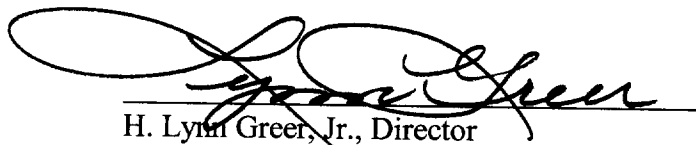
<sup>3</sup> So as to be consistent with both his reasoning and his votes on November 17, 1998, January 12, 1999, January 19, 1999 and February 2, 1999 relative to similar CSAs, Chairman Malone voted no. Additionally, Chairman Malone opined that BellSouth's recent submissions of information were insufficient to persuade him that the CSAs appearing on this Conference's agenda were neither discriminatory nor acceptable vis-a-vis state contract law principles. He concluded that several of these pending CSAs offered a wide range of rates to customers which otherwise have no materially distinguishing characteristics; if such customers were determined to be "similarly situated" as a matter of law, such rate discrepancies could constitute unjust discrimination and be inconsistent with state law.

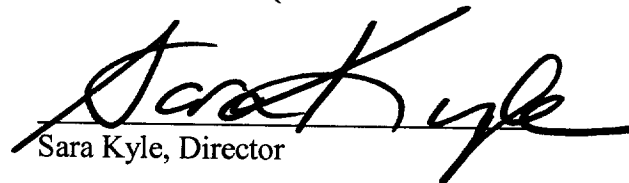
**IT IS THEREFORE ORDERED THAT:**

BellSouth Telecommunications, Inc. Tariff No. 99-00081, which seeks approval of Contract Service Arrangement No. TN 97-7318-03, is hereby granted.

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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:

  
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K. David Waddell, Executive Secretary

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\*\*\* Chairman Malone voted against approval.