

TENNESSEE REGULATORY AUTHORITY

—
Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

January 16, 2000

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TN REGULATORY AUTHORITY
GENERAL COUNSEL'S OFFICE

Mr. Guy Hicks, Esquire
General Counsel
BellSouth Telecommunications, Inc.
Suite 2101
333 Commerce Street
Nashville, TN 37201-3300

In Re: Docket 99-00936, BellSouth "Promotional" Offering on Business Lines

Dear Mr. Hicks:

In a letter dated December 2, 1999, BellSouth informed the Authority that they would be implementing a "promotional" offering on business lines with hunting. The letter indicates that discounts from 40% to 80% would be offered on these business lines if customers committed to contracts ranging from one to three years. As you know, the Authority expressed concern about the filing and suspended it to gather additional information. In order for the Authority to have a complete understanding of BellSouth's proposal, please provide the following information no later than noon on Wednesday January 19, 2000:

1. Provide detailed cost studies demonstrating that the 40%, 60% and 80% discounts do not result in prices below the statutory price floor (T.C.A. §65-5-208). Include all supporting documentation and assumptions used in calculating the cost of the services.
2. Is BST proposing to make this offering available in all BellSouth's Tennessee exchanges? If not, indicate the specific exchanges in which the offering will be available.
3. In Docket 96-01152, the BST/AT&T Arbitration, the arbitrators ordered that "all services provided by BellSouth, with the exception of short term promotions, as that term is defined below, should be, and hereby are, made available by BellSouth for resale to AT&T and MCI." (Second and Final Order of Arbitration Awards, page 14) The order goes on to define "short-term promotions" as "those promotions that are offered for a ninety day period or less, which are not offered on a consecutive basis." Does BST believe that it is required by the above referenced docket to make the proposed "promotional" offering available on a wholesale basis at approved wholesale discounts? Provide a detailed explanation and all relevant documents to support your response.

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4. Mr. Howorth indicates in his December 15th letter that "our letter may not have clearly indicated the rates to which these discounts apply." He apologizes for the confusion and indicates that the discounts apply only to the rates for hunting. Are customers aware that this offering only applies to hunting or were they provided the same information as the TRA? Include necessary documents, i.e. sales brochures, advertisements, etc... to support your response.

Thank you in advance for your prompt attention to this request.

Sincerely,

David Waddell *by JW with permission*
David Waddell
Executive Secretary

cc: Charles Howorth, BellSouth (via fax)
Paul Stinson, BellSouth (via fax)
Joe Werner, TRA