

ORIGINAL

ATTACHMENT B

BellSouth Telecommunications, Inc.
FPSC Docket 980696-TP
Staff's 3rd Document Request
Request for Confidential Classification
Page 1
10/12/98

REQUEST FOR CONFIDENTIAL CLASSIFICATION OF DATA FILED IN
RESPONSE TO FPSC STAFF'S 3rd REQUEST FOR DOCUMENTS ON
AUGUST 28, 1998 IN DOCKET 980696-TP

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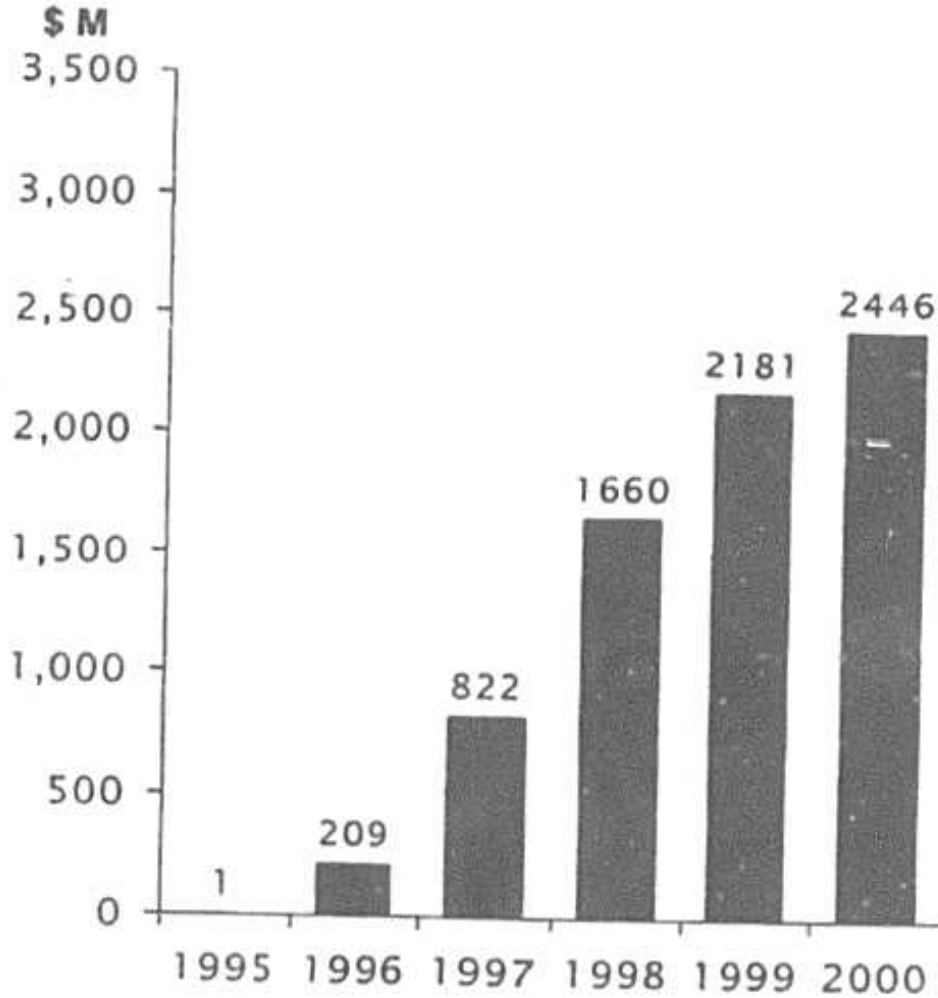
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FPSC-RECORDS REPORTING

Growing Profitably

- *New Product Revenue**

Consumer and Small Business



	1996	1997	1998	1999	2000
% Change Yr/Yr	14,439%	293%	102%	31%	12%
% of TOR	3%	11%	18%	22%	24%

* Includes New Business Ventures

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1998

N&CS's business strategy is straight forward -- We will offer all of our customers unsurpassed quality, excellent service, and breadth of coverage at an attractive cost. We will create an environment in which our employees will be rewarded for creating value for both our Industrial customers and BellSouth shareholders.

INDUSTRIAL BUSINESS STRATEGY -

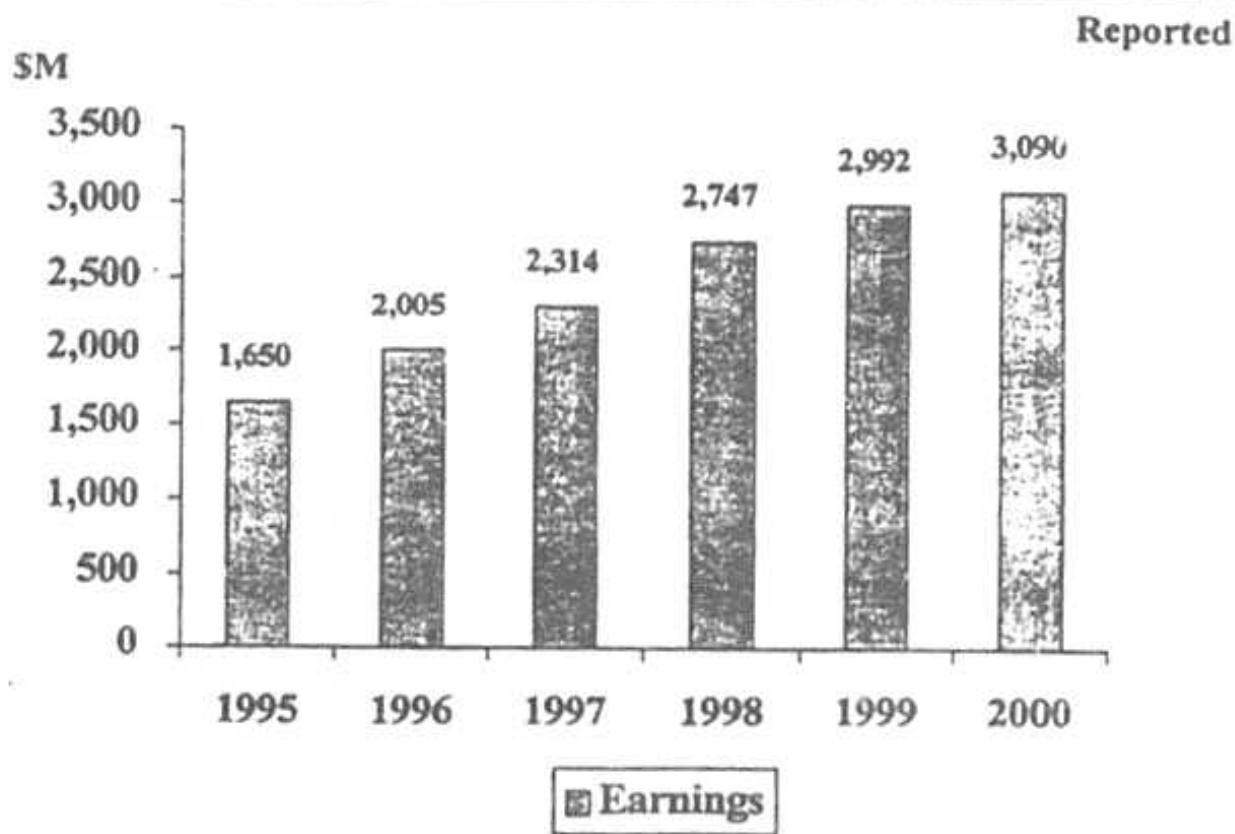
- **Differentiate our business with a superior network -- offering unsurpassed quality, excellent service, and breadth of coverage.**
- **Present a compelling value proposition to retail distributors such that they prefer to purchase BST network capability versus building facilities or purchasing facilities from others**
- **Provide our employees with a clear, focused environment and the responsibility, authority, and accountability they need to succeed.**
- **Consistently deliver value to BellSouth shareholders.**

Embedded Cost of Debt - Average



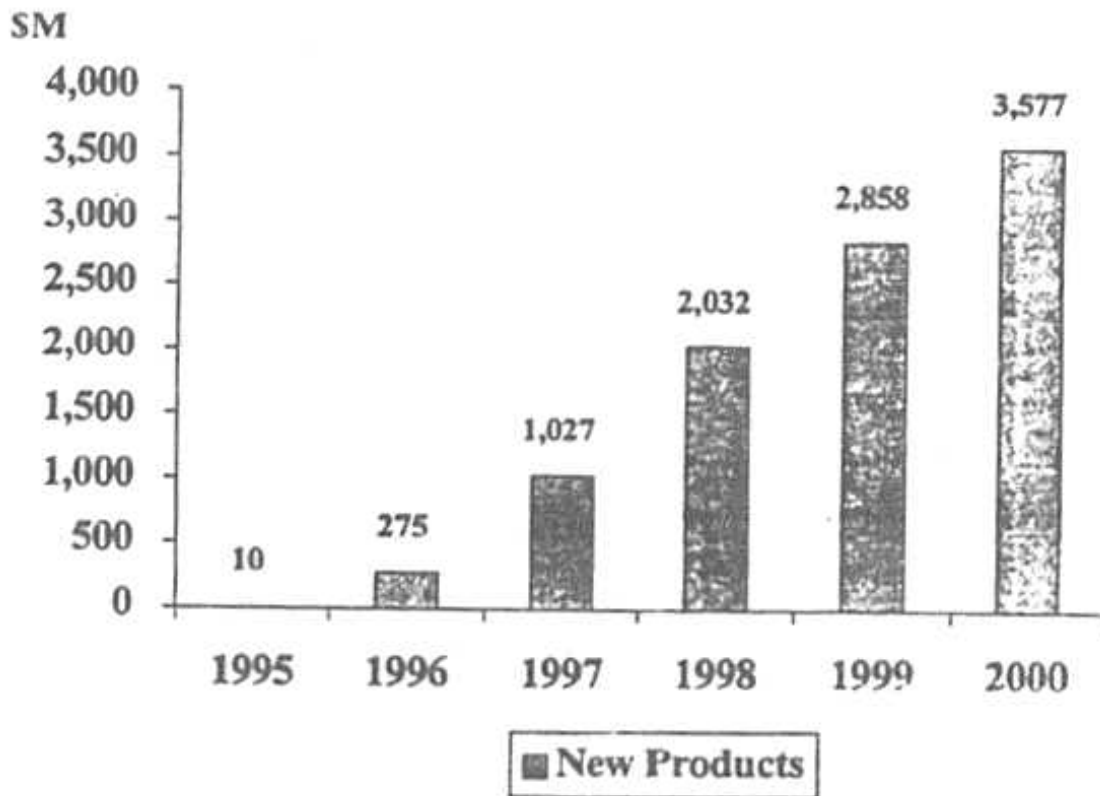
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
LT Debt	6.6%	6.7%	6.6%	6.5%	6.4%
Total Debt	6.4%	6.5%	6.5%	6.3%	6.3%

BST Earnings View Through 2000



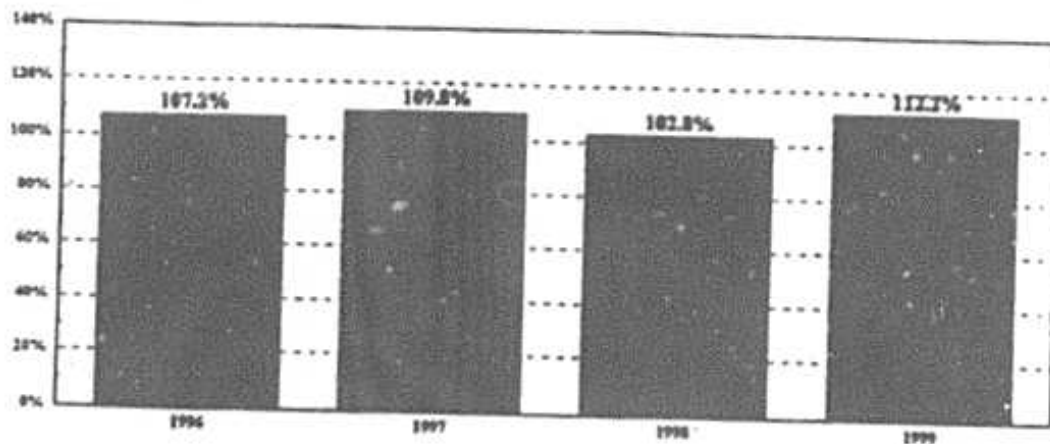
% Y/Y Chg	1996	1997	1998	1999	2000
	21.5%	15.4%	18.7%	8.9%	3.3%

New Product Revenues



	1996	1997	1998	1999	2000
% Growth	2792%	274%	98%	41%	25%
% TOR	1.9%	6.7%	12.1%	16.1%	19.6%

Internally Generated Cash As a % Of Construction



(\$M)	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Internally Generated Cash	\$3,483	\$3,805	\$3,445	\$3,528
Net Construction	\$3,248	\$3,464	\$3,350	\$3,144
Internally Generated Cash As a % of Construction	107.2%	109.8%	102.8%	112.2%

Note: Internally Generated Cash is Gross Reported Cashflow less dividends declared.

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First Quarter 1997

Summary of All Competitive Impacts

	Assumed Losses to Revenue		
(\$M)	<u>1997</u>	<u>1998</u>	<u>1999</u>
Pre FCC Competition			
Local Interconnect			
Wireless Interconnect			
Access Reform/USF			
Post FCC Competition			
Total Competition			

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List of New Products

(\$000)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Complete Choice						
Area Plus w Complete Choice						
AreaPlus						
New Product Trials						
Per Use Activations						
Memory Call Enhancements						
BackUp Lines						
MultiServe						
MVCS						
Bus Main ISDN						
Pathlink ISDN						
Frame Relay & Access						
NMLI						
Voice Conferencing						
BroadBand ATM						
CDS & Access						
Smart Path (DS1 & DS3)						
Smart Gate						
DA Call Completion						
Other						
NBV - Long Distance						
NBV - Wireless						
NBV - Electronic Commerce						
Total New Product Revenue						

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First Quarter 1997