

BellSouth Employee Telephone Concession Program

Effective 09/01/03

(REISSUED 05-15-04)

Eligibility

BellSouth allows active employees and retirees a concession on company-provided telecommunications services, subject to applicable state tariffs and FCC regulations. Concessions are available to regular full-time and regular part-time employees who have attained 6 months of service and who are employed by BellSouth affiliate companies participating in the program. Temporary and occasional employees are not eligible for the concession program. Appendix A contains a listing of participating companies.

Program Requirements

Telephone concessions are provided for the benefit of the employee or the retiree and their immediate family for usual residential purposes. Specific participation requirements are as follows:

- Concession is available **only at one location** and only where the service is provided at the employee or retiree's primary residence.
- The account must be billed in the employee or retiree's name and social security number.

Approval/Authorization

The majority of changes affecting an active employee's concession eligibility information will be generated from payroll activity and a RF-181 (Employee Authorization for Local BST Telephone Service Concession) is not required. The specific changes processed in this manner are as follows:

- New employees who attain 6 months service
- Transfers between companies
- Leave of absences
- Return from leave/rehires
- Movement between management and non-management
- Employees attaining 30 years service
- Retirement
- Termination of employment

For employees or retirees moving within the BellSouth service area, a RF-181 is likewise not required. The concession will be transferred from the old account to the new account when the transfer order is processed.

The RF-181 will continue to be used for exception reporting purposes including but not limited to the following situations:

- Employee or retiree establishes service after initial eligibility.
- Employee or retiree relocates from out of franchise to within BellSouth territory.
- Death of retiree (submitted by pension plan administrator).
- Other special situations approved by Human Resources.

All changes in employee concession are effective with the **next billing cycle**. It is the employee's responsibility to ensure that the concession is correct.

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Employees Living Outside BellSouth Territory (Out of Franchise)

Employees hired before April 1, 1996, who reside in territories served by other telephone companies, are eligible for concession on residential local exchange service and intraLata long distance charges including billed federal, state and local taxes. The basic 40-percent/100-percent and \$25/\$50 parameters based on eligibility are the same. See also Appendix B: Eligible Services for Out of Territory Active Employees with Less than 30 Years of Service and Appendix C: Eligible Services for Out of Territory Active Employees with 30 or More Years of Service.

Employees who reside in territories serviced by other telephone companies should submit company expense reports through their expense reimbursement system for reimbursement of eligible charges. Normal voucher approval and receipt requirements apply and the expense is charged to the department. It is the employee's responsibility to voucher only services eligible for concession. It is the approving manager's responsibility to ensure that the voucher regarding concession services is appropriate. Retirees who are eligible for the out of franchise concession should submit amounts for reimbursement to the address provided in their retirement package.

Employees who reside in territories serviced by other telephone companies who either (1) were hired on or after April 1, 1996, or (2) are employees of companies or organizations that began participation in the concession program after April 1, 1996 (e.g. ND&CA), are not eligible for telephone concession.

Leaves of Absence

Eligibility criteria for employees on leave of absence varies based on the type of leave. See Appendix D regarding eligibility under each leave of absence offered by BellSouth.

Concession Following the Rehire of a Former Employee

When former employees are rehired, including retirees, telephone concession eligibility is based on service just as it is for other employees (if prior service is not bridged, the individuals are treated as new hires for telephone concession eligibility purposes).

Concession Following the Death of an Active or Retired Employee

The telephone concession may be continued for three months from the end of the billing period in which the employee or retiree dies.

Eligible Services

1. Residential Local Exchange Service

Eligible employees and retirees may be furnished residential local exchange service at a discounted rate of 40-percent or 100-percent based on eligibility.

When more than one employee or retiree residing in the same household or at the same address is entitled to residential service at no charge, **only one local exchange service shall be furnished at a 100-percent concession**, whether or not the individuals are related. Any additional eligible services may be furnished at a 40-percent concession.

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2. Optional Telephone Services

Eligible employees and retirees may be furnished certain BST-provided optional telephone services at a discounted rate of 40%. Optional telephone services include services such as additional lines, custom calling features, designer listings, stylist listings, foreign listings, call block and package plans such as Complete Choice. Package Plans combine variations of local service and optional services and are billed together at one monthly rate. A limited number of package plans are not eligible for the concession. BST-provided optional telephone services may be furnished at a 40-percent concession only.

Employees who obtained thirty years of service before April 1, 1996, will continue to receive 100-percent concession on call forwarding, 3-way calling, speed calling, call waiting, additional listing, inside wire maintenance, & touchtone. Other optional telephone services may be furnished at a 40-percent concession only.

3. Usage Charges

All eligible employees and retirees may receive an adjustment up to the limit of the \$25 or \$50 allowance based on eligibility.

When more than one employee or retiree residing in the same household or at the same address is entitled to receive the concession, **only one usage allowance will be furnished**, whether or not the individuals are related. The maximum usage allowance will be that of the single highest eligibility (\$25 or \$50). For employees and retirees with more than one line, the usage concession will apply to the total of the usage on the main line and other lines that are billed to that line.

The following usage charges may be included in the \$25 or \$50 allowance:

Local Usage

Local calls placed in your local calling zone that are billed on a per-call or a per-minute basis and billed separately from the monthly flat rate.

Employees who retired before April 1, 1996, will be grandfathered under the previous policy with 100-percent local usage.

IntraLATA Toll

IntraLATA toll calls placed to another city located inside your calling zone billed on a per-minute basis. A description of calling zones is located in your local telephone directory.

Calling Cards

The concession will apply to BST-provided intraLATA toll calls placed on a BellSouth Calling Card (but not a BellSouth Global Calling Card) or a BellSouth Visa Card. This provision does not apply to employees and retirees who reside in independent territories or to intraLata calls made using other carriers and/or placed on non-BellSouth calling cards.

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Other Usage Charges

Other types of usage charges eligible for concession are Directory Assistance calls, use of 3-way calling on a per call basis, etc.

4. Non-recurring Charges

Non-recurring charges associated with the installation, change, or move of concession eligible services may be granted at the concession rate for which the service is eligible (40-percent or 100-percent).

Ineligible Services / Charges / Fees

The following are not included in the employee telephone concession program:

- Services provided by other companies and billed by BST
- InterLATA toll charges
- Relay system charges for the hearing or speech impaired
- E911 charges
- Minimum Usage Fees
- Late Payment Charges
- Cable or Satellite TV Systems
- Home Security Systems
- Internet Services
- Wireless Services
- Other Similar Charges or Services

Other BellSouth Products and Services

BellSouth employees may be offered discounts on other BellSouth products and services including Internet access, long distance and wireless service. Administration of each discount program is the responsibility of the affiliate company. Please contact the appropriate affiliate company or refer to the BellSouth Online Buying (BOB) website for additional information.

Policy Continuance

The company currently intends to continue the telephone concession for active employees and retirees under the terms of the concession policy, **but reserves the right to amend or terminate the policy at any time**, subject to any applicable collective bargaining agreements.

Additional Information

For additional information, call the BellSouth Benefits Service Center at 1-800-528-1232.

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BellSouth Employee Concession Program Summary

Regular full-time and regular part-time employees	Local Telephone Service Monthly Rate and Customer Access Charge	Non-recurring Charges (associated with installation, change or move of a service)	Concession Eligible Optional Telephone Services	Usage Charges (BST-provided local, toll, per service activation charges, etc.)
6 Months to 30 Years Service	40%	40%	40%	Up to \$25
30 Years Service attained or Retirement on or after 4/1/96	100%	100% on local service 40% on all other services	40% *	Up to \$50

* If 30 Years Service attained prior to 4/1/96, then 100% on call forwarding, 3-way calling, speed calling, call waiting, additional listing, inside wire maintenance, and touchtone; 40% on all other services.

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Appendix A

Participating Companies

<u>Status</u>	<u>Company Code</u>	<u>Active ZSBP</u>	<u>Retired ZSBP</u>
<u>Participating</u>			
BellSouth Telecommunications	S4	NA	NA
BellSouth Accounts Receivable Management	QY	07	17
BellSouth Credit and Collections Management	QZ	05	15
BellSouth Advertising and Publishing	SD	04	14
BellSouth Affiliate Services Corporation	RZ	60	61
BellSouth Billing Inc.	RF	58	59
BellSouth Business Systems, Inc.	SJ	32	33
BellSouth Communications Systems, LLC	E8/S3	44	45
BellSouth Corporation	SH	02	12
BellSouth DC	SC	02	12
BellSouth Intellectual Property Corporation	RG	02	12
BellSouth Intellectual Property Management Corporation	RJ	02	12
BellSouth Intellectual Property Marketing Corporation	RK	02	12
BellSouth Resources	SR	02	12
Intelleprop, Inc.	RH	02	12
Intelligent Media Ventures, Inc.	SQ	02	12
BellSouth Entertainment LLC	RB	56	57
BellSouth International	SI	21	22
BellSouth Mobile Data, Inc.	S5	34	35
BellSouth Technology Group, Inc.	SK	24	25
Sunlink	SL	09	19
<u>Participating - Long Distance Only*</u>			
BellSouth Long Distance Inc.	RL	6	12
<u>Not Participating</u>			
L M Berry and Co.	E6/QE	Not Participating	
Berry Network Inc.	QF	Not Participating	
Stevens Graphics	E3	Not Participating	

* BSLD employees are included for administrative purposes but do not receive discounts for regulated BellSouth Telecommunications services. By agreement, retirees are treated as BellSouth Corporation employees.

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Appendix B

Eligible Services for Out of BellSouth Territory Active Employees with Less than 30 Years of Service

- Available only at the employee's primary residence and only one concession per household.
- 40% concession on the main telephone line and its associated subscriber line and access line charges (if main telephone line is billed as part of a package plan, it is considered as covered under the "optional telephone services" category). *
- 40% concession on optional telephone services, including additional lines and package plans. Billing for all lines and services must be on the bill for the main account.
- 40% concession on non-recurring charges associated with installation or a change or move of the main telephone line or any additional lines.
- 40% concession on all taxes.
- \$25 reimbursement for usage:
 - Local calls placed in your local calling zone that are billed on a per-call or a per-minute basis and billed separately from the monthly flat rate.
 - IntraLATA toll calls placed to another city located inside your calling zone billed on a per-minute basis. A description of calling zones is located in your local service provider telephone directory.
 - Other types of usage charges billed through your local service provider such as local Directory Assistance calls, use of 3-way calling on a per call basis, etc.
- No concession on the following ineligible services, charges and fees, even if billed as a tax:
 - Services provided by companies other than your local service provider
 - InterLATA toll charges
 - Relay system charges for the hearing or speech impaired
 - E911 Charges
 - Minimum Usage Fees
 - Late Payment Charges
 - Cable or Satellite TV Systems
 - Home Security Systems
 - Internet Services
 - Wireless Services
 - Other Similar Charges or Services

* If the package plan in which an individual is enrolled includes or bundles Internet / DSL service or other concession-ineligible services with their primary residence line, there is no straightforward way to compute the concession that is applicable to that line. Based on that, the amount that will be reimbursed is the amount that the individual would receive if they were in region and they were enrolled in BellSouth's concession-eligible package plan -- Complete Choice. The maximum monthly charge for Complete Choice across the region is \$35; with the 40% concession the individual would be paying \$21. Therefore, for package plans that include or bundle internet / DSL / or other non-concession eligible services with the primary residence line, the individual would receive a reimbursement of \$14 of their total package plan cost.

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Appendix C

Eligible Services for Out of BellSouth Territory Active Employees with 30 or More Years of Service

- Available only at the employee's primary residence and only one concession per household.
- 100% concession on the main telephone line only and its associated subscriber line and access line charges *if the line is billed as a separate line item on the bill*. (If the main telephone line is billed as part of a package plan, it is considered as covered under the "optional telephone services" category and eligible for only 40% concession. The associated subscriber line and access line charges are still covered at 100%). *
- 40% concession on optional telephone services, including additional lines and package plans. Billing for all lines and services must be on the bill for the main account.
- 100% concession on non-recurring charges associated with installation or a change or move of the main telephone line (40% on second and subsequent lines).
- 100% concession on all taxes.
- \$50 reimbursement for usage:
 - Local calls placed in your local calling zone that are billed on a per-call or a per-minute basis and billed separately from the monthly flat rate.
 - IntraLATA toll calls placed to another city located inside your calling zone billed on a per-minute basis. A description of calling zones is located in your local service provider local telephone directory.
 - Other types of usage charges billed through your local service provider such as local Directory Assistance calls, use of 3-way calling on a per call basis, etc.
- No concession on the following ineligible services, charges and fees, even if billed as a tax:
 - Services provided by companies other than your local service provider
 - InterLATA toll charges
 - Relay system charges for the hearing or speech impaired
 - E911 Charges
 - Minimum Usage Fees
 - Late Payment Charges
 - Cable or Satellite TV Systems
 - Home Security Systems
 - Internet Services
 - Wireless Services
 - Other Similar Charges or Services

* If the package plan in which an individual is enrolled includes or bundles internet / DSL service or other concession-ineligible services with their primary residence line, there is no straightforward way to compute the concession that is applicable to that line. Based on that, the amount that will be reimbursed is the amount that the individual would receive if they were in region and they were enrolled in BellSouth's concession-eligible package plan -- Complete Choice. The maximum monthly charge for Complete Choice across the region is \$35; with the 40% concession the individual would be paying \$21. Therefore, for package plans that include or bundle Internet / DSL / or other non-concession eligible services with the primary residence line, the individual would receive a reimbursement of \$14 of their total package plan cost.

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Appendix D

Concession Eligibility if on a Leaves of Absence

Payroll Transaction		Eligible		Concession
Nature of Change Code	Leave of Absence	for	Mgt or N-Mgt	Duration
<u>(NOCC)</u>		<u>Concession</u>		
L1	Anticipated Disability	Yes	Mgt & N-Mgt	
LJ	Armed Forces Training	Yes	N-Mgt Only	
LH	Armed Forces Training - Special	Yes	N-Mgt Only	
L5	Care of Newborn Child	Yes	Mgt & N-Mgt	
LC	Departmental	Yes	Mgt & N-Mgt	
L8	Dependent Care	Yes	Mgt & N-Mgt	
LB	Medical	Yes	Mgt & N-Mgt	
L2	Military	Yes	Mgt & N-Mgt	
LS	Short-Term Disability Appeal	Yes	Mgt & N-Mgt	
LD	Government	Yes	Mgt & N-Mgt	3 Months
L4	Personal	Yes	Mgt & N-Mgt	3 Months
LG	Political	Yes	N-Mgt Only	3 Months
L6	Technological Displacement	Yes	N-Mgt Only	3 Months
L3	Union	Yes	N-Mgt Only	3 Months
LM	Union Leave with Reimb Medical	Yes	N-Mgt Only	3 Months
LL	Union Leave with Paid Medical	Yes	N-Mgt Only	3 Months
LF	Corporate Interest - Represented	No	N-Mgt Only	
L9	Sabbatical - Management	No	Mgt Only	
L9	Sabbatical - Non-Salaried	No	N-Mgt Only	
LE	New Hire Sickness	No	Mgt & N-Mgt	
LA	Transitional - Management	No	Mgt Only	
LA	Transitional - Non-Salaried	No	N-Mgt Only	
LX	Other	Special Situations - RF-181 required		

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