

**SOUTHWESTERN BELL TELEPHONE COMPANY  
DESCRIPTION AND JUSTIFICATION  
TRANSMITTAL NO. 2927  
January 17, 2003**

**PURPOSE**

Southwestern Bell Telephone (SWBT) is proposing to withdraw its offering of Local Plus an optional one way flat rate calling plan, whereby residence and business customers are able to dial within their LATA, from the F.C.C. No. 73 tariff for the state of Missouri. SWBT proposes to replace Local Plus with a new Block of Time (BOT) plan called TOLL VALUE. The residence 1,000 Minute and the business 2,000 Minute BOT TOLL VALUE plans provide one way calling to all numbers within the customers LATA. An additional per minute rate applies to usage exceeding the specified BOT. In addition SWBT is proposing to re-price the 1+ Saver Direct plan offering in the F.C.C. No. 73 tariff from an unlimited flat rate plan to a 500 minute BOT plan for residential customers and a 300 minute BOT for business customers. A per minute rate will also apply for the 1+ Saver Direct plan for usage exceeding the specified BOT.

The Local Plus offering was intended to provide the convenience of purchasing a flat rate voice calling within a LATA plan. With the advent of the Internet some customers have abused this plan. An example of the abuse is, calling the internet and leaving the line open 24 hours a day, 7 days a week. As a result SBC is paying approximately \$1.5 million in terminating access charges per month to other ILEC's, over the revenues SBC receives monthly for the Local

Plus Plan. In order to address this issue while still satisfying the goal of providing a flat rate and convenient plan for voice calling to most customers, SWBT will withdraw the Local Plus offering which will be replaced with the new TOLL VALUE BOT plan. Additionally 1+ Saver will be re-priced and a BOT cap will be added to avoid similar abuse by any existing or new customer converting to this plan.

These currently flat rate unlimited optional calling plans will receive a monthly increase by incorporating a BOT cap. However the proposed monthly rates for TOLL VALUE are actually lower than the monthly prices for the Local Plus and only those customers with very high monthly usage will experience a net rate increase in their monthly bill. A majority of the customers will be positively impacted and will actually receive a small decrease to their over all monthly cost.