EX PARTE

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United States Telephone Association

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

February 22, 1995

Mr. William F. Caton, Secretary
Federal Communications Commission
1919 M Street NW - Room 222
Washington, D.C. 20554

RE: Ex Parte Filing
CC Docket No. 94-1

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Attached are the summary work sheets and a machine readable disk which support Exhibit A, "U.S. Economy and Telephone Industry Input Price Growth," attached to the Christensen Affidavit regarding the inappropriateness of an input price adjustment filed ex parte by USTA on February 1, 1995. This material has been requested by the Tariff Division Staff.

An original and two copies of this ex parte notice and the attachments are being filed in the Office of the Secretary on February 22, 1995. Please include this notice and attached material in the public record of these proceedings.

Respectfully Submitted

Mary McDermott

Mary McDermott
Vice President - Legal &
Regulatory Affairs

cc: Mark Uretsky
Anthony Bush
Alexander Belinfante
ITS

No. of Copies rec'd 0+2
List A B C D E

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PROGRAM LISTING

```
LINE   INSTRUCTION*****************************************************************************
  1        1     ()          ipg.epl
  2        1     ()          Prepared by Mark Erzen for Phil Schoech
  3        1     ()          November 11, 1994
  4        1     ()
  5        1     ()          Variables:
  6        1     ()          Pt - rate of growth for telephone industry input prices 1949-1992
  7        1     ()          Pu - rate of growth for economy-wide input prices 1949-1992
  8        1     ()          D - difference between Pt-Pu
  9        1     ()          DummyA - =1 for 1984-1992 (post-divestiture)
 10        1     ()          Load variables from table ipg.txt
 11        1     year        1949;
 12        2     suppress    off;
 13        3     sample      1 44;
 14        4     file        open (20) ipg.txt;
 15        5     text        fmt; (2f7.3,1x,1f7.0);
 16        6     read        (20,fmt) Pu Pt DummyA;
 17        7
 18        7     ()          Calculate D=Pt-Pu
 19        7     sample      1 44;
 20        8     D           = Pt-Pu;
 21        9     ()          ttrend     t;
 22        9
 23        9     ()          Regression 1:  Dt = b0 + b1t    1985-1992;
 24        9     sample      year 1984 1992;
 25       10     c           =1;
 26       11     olsq        D c;
 27       12
 28       12     ()          Regression 2: 1949-1984
 29       12     sample      year 1949 1984;
 30       13     c           =1;
 31       14     olsq        D c;
 32       15
 33       15     ()          Regression 3: 1949-1992
 34       15     sample      year 1949 1992;
 35       16     olsq        D c;
 36       17
 37       17     end         ;
```

PROGRAM EXECUTION

****

SAMPLE:

1 44

SAMPLE:

1 44

SAMPLE:

36 44

1984 1992

****

ORDINARY LEAST SQUARES

DEPENDENT VARIABLE D

RIGHT HAND VARIABLE	ESTIMATED COEFFICIENT	STANDARD ERRORS	T-STATISTIC	INCREMENTAL SUM OF SQUARES
C	-.026000	.015585	-1.668282	.017488

RSQUARED = .000000

ADJUSTED R-SQUARED = .000000

STANDARD ERROR OF THE REGRESSION = .046755

SUM OF RESIDUALS = .000000

SUM OF SQUARED RESIDUALS = .017488

MEAN VALUE OF DEPENDENT VARIABLE = -.026000

DURBIN WATSON STATISTIC (1 vars, 9 obs.) = 2.127688

NUMBER OF OBSERVATIONS = 9

ESTIMATE OF VARIANCE-COVARIANCE MATRIX OF ESTIMATED COEFFICIENTS

	1
1	.000243

SAMPLE:

1 36

1949 1984

****

ORDINARY LEAST SQUARES

DEPENDENT VARIABLE D

RIGHT HAND VARIABLE	ESTIMATED COEFFICIENT	STANDARD ERRORS	T-STATISTIC	INCREMENTAL SUM OF SQUARES
C	.004333	.006196	.699404	.048368

RSQUARED = .000000

ADJUSTED R-SQUARED = .000000

STANDARD ERROR OF THE REGRESSION = .037174

SUM OF RESIDUALS = .000000

SUM OF SQUARED RESIDUALS = .048368

MEAN VALUE OF DEPENDENT VARIABLE = .004333

DURBIN WATSON STATISTIC (1 vars, 36 obs.) = 1.909899

NUMBER OF OBSERVATIONS = 36

ESTIMATE OF VARIANCE-COVARIANCE MATRIX OF ESTIMATED COEFFICIENTS

	1
1	.000038

SAMPLE:

1 44

1949 1992

****

ORDINARY LEAST SQUARES

DEPENDENT VARIABLE D

RIGHT HAND VARIABLE	ESTIMATED COEFFICIENT	STANDARD ERRORS	T-STATISTIC	INCREMENTAL SUM OF SQUARES
C	-.000500	.006059	-.082515	.069469

RSQUARED =	.000000
ADJUSTED R-SQUARED =	.000000
STANDARD ERROR OF THE REGRESSION =	.040194
SUM OF RESIDUALS =	.000000
SUM OF SQUARED RESIDUALS =	.069469
MEAN VALUE OF DEPENDENT VARIABLE =	-.000500
DURBIN WATSON STATISTIC (1 vars, 44 obs.) =	1.865393
NUMBER OF OBSERVATIONS =	44

ESTIMATE OF VARIANCE-COVARIANCE MATRIX OF ESTIMATED COEFFICIENTS

	1
1	.000037

EPL Run Time:

Real Time: 0 HOURS 0 MINUTES 2 SECONDS

CPU Time : 0 HOURS 0 MINUTES 1 SECONDS

User : 0 HOURS 0 MINUTES 1 SECONDS

System : 0 HOURS 0 MINUTES 0 SECONDS