

**ATT/Bell Atlantic/NYNEX Proposal  
Company Specific Data**

<u>1/1/98</u>	<u>Ameritech</u>	<u>BA</u>	<u>NYNEX</u>	<u>BS</u>	<u>SBC</u>	<u>PAC</u>	<u>USW</u>	<u>Citizens</u>
<b>Forecast Revenue</b>								
LS	\$417,933,530	\$452,053,918	\$754,706,174	\$495,531,307	\$292,226,799	\$243,358,888	\$421,099,455	\$35,960,996
CCL - LTS	\$82,072,470	\$246,447,120	\$272,342,318	\$409,807,187	\$189,364,127	\$0	\$217,871,801	\$44,865,937
TIC	\$68,233,230	\$286,462,277	\$497,556,602	\$57,845,916	\$177,794,267	\$27,344,869	\$342,606,748	\$5,908,272
IS	\$7,778,097	\$29,319,799	\$0	\$21,105,369	\$18,737,954	\$3,860,788	\$15,142,134	\$1,513,634
Sw Trans	\$117,228,627	\$124,977,992	\$118,372,022	\$169,790,758	\$84,352,189	\$89,301,311	\$125,908,844	\$9,368,136
<b>Total Usage Revenue</b>	\$693,245,953	\$1,139,261,106	\$1,642,977,116	\$1,154,080,536	\$762,475,335	\$363,865,856	\$1,122,628,983	\$97,616,975
<b>Remaining Traffic</b>								
<b>Sensitive</b>	\$30,521,294	\$45,606,330	\$45,354,474	\$62,197,645	\$35,829,619	\$22,816,914	\$40,775,914	\$2,329,587
<b>Special Access</b>	\$396,569,225	\$463,613,664	\$397,303,077	\$473,777,139	\$421,934,826	\$287,106,022	\$324,900,707	\$12,867,812
<b>IX</b>	\$79,725,408	\$124,558,488	\$22,634,656	\$30,811,672	\$36,221,685	\$222,718	\$52,793,417	\$0
<b>EUCL Revenue</b>	\$876,491,895	\$977,714,800	\$856,026,729	\$1,121,191,121	\$705,412,627	\$752,649,903	\$725,023,743	\$40,851,417
<b>Total Interstate Access Revenue</b>	\$2,076,553,775	\$2,750,754,388	\$2,964,296,053	\$2,842,058,113	\$1,961,874,092	\$1,426,661,413	\$2,266,122,763	\$153,665,792
<b>Forecast MOUs</b>	47,433,713,011	65,302,381,583	54,578,499,931	65,591,730,955	37,709,790,332	33,582,282,853	51,301,870,020	2,239,856,974
<b>Adjustments</b>								
<b>Bus Per Line Revenue</b>	\$102,853,669	\$161,512,485	\$123,819,622	\$140,649,041	\$99,684,601	\$49,477,020	\$98,776,254	\$2,969,080
<b>Res Per Line Revenue</b>	\$104,598,860	\$155,723,744	\$137,639,168	\$179,682,648	\$115,586,226	\$43,075,923	\$125,949,115	\$8,270,631
<b>Total</b>	\$207,452,529	\$317,236,229	\$261,458,790	\$320,331,688	\$215,270,827	\$92,552,943	\$224,725,369	\$11,239,711
<b>Maximum Per Line Rates</b>								
<b>Bus Line Rate</b>	\$1.40	\$2.00	\$2.00	\$2.00	\$2.00	\$0.73	\$2.00	\$2.00
<b>Res Line Rate</b>	\$0.70	\$1.00	\$1.00	\$1.00	\$1.00	\$0.36	\$1.00	\$1.00
<b>Adjusted Revenues</b>								
<b>Usage Revenue</b>	\$485,793,424	\$822,024,877	\$1,381,518,326	\$833,748,848	\$547,204,508	\$271,312,913	\$897,903,614	\$86,377,264
<b>EUCL Rev</b>	\$876,491,895	\$977,714,800	\$856,026,729	\$1,121,191,121	\$705,412,627	\$752,649,903	\$725,023,743	\$40,851,417
<b>Per Line Rev</b>	\$207,452,529	\$317,236,229	\$261,458,790	\$320,331,688	\$215,270,827	\$92,552,943	\$224,725,369	\$11,239,711
<b>Total Adjusted Revenues</b>	\$1,569,737,848	\$2,116,975,906	\$2,499,003,845	\$2,275,271,657	\$1,467,887,962	\$1,116,515,759	\$1,847,652,726	\$138,468,392
<b>Average MOU Rate</b>	\$0.0102	\$0.0126	\$0.0253	\$0.0127	\$0.0145	\$0.0081	\$0.0175	\$0.0386

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<u>1/1/98</u>	<u>GTE</u>	<u>Alliant (Lincoln)</u>	<u>Frontier (Rochester)</u>	<u>SNET</u>	<u>Sprint</u>	<u>Total</u>	<u>BOCs</u>
<b>Forecast Revenue</b>							
LS	\$568,644,974	\$8,955,954	\$41,946,508	\$97,831,163	\$209,339,162	\$4,039,588,827	\$3,076,910,071
CCL - LTS	\$302,407,962	\$0	\$1,943,469	\$31,775,590	\$91,475,003	\$1,890,372,983	\$1,417,905,022
TIC	\$38,899,451	\$2,147,672	\$1,514,838	\$31,644,925	\$18,833,155	\$1,556,792,222	\$1,457,843,909
IS	\$50,032,672	\$254,975	\$546,553	\$8,311,785	\$4,936,364	\$161,540,124	\$95,944,140
Sw Trans	\$101,489,753	\$2,374,182	\$6,398,148	\$19,736,076	\$49,417,917	\$1,018,715,955	\$829,931,743
<b>Total Usage Revenue</b>	<b>\$1,061,474,813</b>	<b>\$13,732,783</b>	<b>\$52,349,516</b>	<b>\$189,299,539</b>	<b>\$374,001,600</b>	<b>\$8,667,010,111</b>	<b>\$6,878,534,885</b>
<b>Remaining Traffic</b>							
<b>Sensitive</b>	\$19,496,812	\$426,050	\$953,004	\$2,141,479	\$11,388,158	\$319,837,281	\$283,102,191
<b>Special Access</b>	\$229,674,672	\$3,488,293	\$14,543,125	\$49,907,963	\$120,717,744	\$3,196,404,269	\$2,765,204,661
IX	\$29,541,182	\$36,037	\$0	\$0	\$7,110,756	\$383,656,018	\$346,968,044
EUCL Revenue	\$894,444,435	\$11,456,789	\$39,846,784	\$100,347,757	\$331,114,361	\$7,432,572,361	\$6,014,510,817
<b>Total Interstate Access Revenue</b>	<b>\$2,234,631,915</b>	<b>\$29,139,951</b>	<b>\$107,692,429</b>	<b>\$341,696,738</b>	<b>\$844,332,619</b>	<b>\$19,999,480,040</b>	<b>\$16,288,320,597</b>
<b>Forecast MOUs</b>	<b>44,187,961,559</b>	<b>653,723,136</b>	<b>2,293,792,029</b>	<b>7,734,075,074</b>	<b>19,339,883,140</b>	<b>431,949,560,597</b>	<b>355,500,268,684</b>
<b>Adjustments</b>							
<b>Bus Per Line Revenue</b>	\$95,896,943	\$1,163,107	\$4,493,498	\$13,223,936	\$34,956,432	\$929,475,687	\$776,772,691
<b>Res Per Line Revenue</b>	\$152,167,320	\$1,561,459	\$8,261,140	\$17,292,636	\$62,526,556	\$1,112,335,426	\$862,255,684
<b>Total</b>	<b>\$248,064,263</b>	<b>\$2,724,566</b>	<b>\$12,754,638</b>	<b>\$30,516,571</b>	<b>\$97,482,988</b>	<b>\$2,041,811,113</b>	<b>\$1,639,028,376</b>
<b>Maximum Per Line Rates</b>							
Bus Line Rate	\$2.00	\$1.41	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Res Line Rate	\$1.00	\$0.71	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
<b>Adjusted Revenues</b>							
Usage Revenue	\$813,410,550	\$11,008,217	\$39,594,879	\$158,782,968	\$278,518,612	\$6,625,198,999	\$5,239,506,509
EUCL Rev	\$894,444,435	\$11,456,789	\$39,846,784	\$100,347,757	\$331,114,361	\$7,432,572,361	\$6,014,510,817
Per Line Rev	\$248,064,263	\$2,724,566	\$12,754,638	\$30,516,571	\$97,482,988	\$2,041,811,113	\$1,639,028,376
<b>Total Adjusted Revenues</b>	<b>\$1,955,919,248</b>	<b>\$25,189,572</b>	<b>\$92,196,301</b>	<b>\$289,647,296</b>	<b>\$705,115,962</b>	<b>\$16,099,582,472</b>	<b>\$12,893,045,702</b>
<b>Average MOU Rate</b>	<b>\$0.0184</b>	<b>\$0.0168</b>	<b>\$0.0173</b>	<b>\$0.0205</b>	<b>\$0.0143</b>	<b>\$0.0153</b>	<b>\$0.0147</b>

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<b>7/1/98</b>	<b>Ameritech</b>	<b>BA</b>	<b>NYNEX</b>	<b>BS</b>	<b>SBC</b>	<b>PAC</b>	<b>USW</b>	<b>Citizens</b>
<b>Forecast Revenue</b>								
LS	\$310,106,679	\$404,140,697	\$799,988,545	\$525,263,185	\$282,299,304	\$159,854,302	\$439,100,641	\$38,118,656
CCL	\$0	\$0	\$11,536,539	\$94,844,028	\$0	\$0	\$0	\$35,643,799
Service Related TIC	\$68,233,230	\$76,860,903	\$130,697,320	\$57,845,916	\$48,384,156	\$27,344,869	\$98,847,150	\$5,188,654
IS	\$8,244,782	\$31,078,987	\$0	\$22,371,691	\$19,862,231	\$4,092,435	\$16,050,662	\$1,604,452
Sw Trans	\$117,228,627	\$124,977,992	\$118,372,022	\$169,790,758	\$84,352,189	\$89,301,311	\$125,908,844	\$9,368,136
<b>Usage Revenue</b>	\$503,813,318	\$637,058,580	\$1,060,594,426	\$870,115,578	\$434,897,880	\$280,592,917	\$679,907,296	\$89,923,698
Non-Service Related TIC	\$0	\$222,177,456	\$388,870,838	\$0	\$137,174,717	\$0	\$258,385,175	\$762,795
Remaining Traffic Sensitive	\$32,352,572	\$48,342,710	\$48,075,743	\$65,929,504	\$37,979,396	\$24,185,929	\$43,222,468	\$2,469,363
Special Access	\$420,363,378	\$491,430,484	\$421,141,262	\$502,203,767	\$447,250,916	\$304,332,384	\$344,394,749	\$13,639,880
IX	\$84,508,932	\$132,031,998	\$23,992,735	\$32,660,372	\$38,394,986	\$236,081	\$55,961,022	\$0
EUCL Revenue	\$902,786,651	\$1,007,046,244	\$881,707,531	\$1,154,826,855	\$726,575,006	\$775,229,400	\$746,774,455	\$42,076,960
Per Line Revenue	\$213,676,105	\$326,753,316	\$269,302,554	\$329,941,639	\$221,728,952	\$95,329,531	\$231,467,130	\$11,576,903
<b>Total Interstate Access Revenue</b>	\$2,157,500,957	\$2,864,840,787	\$3,093,685,090	\$2,955,677,716	\$2,044,001,853	\$1,479,906,242	\$2,360,112,296	\$160,449,598
Forecast MOUs (6% Growth)	50,279,735,791	69,220,524,478	57,853,209,927	69,527,234,812	39,972,377,752	35,597,219,824	54,379,982,221	2,374,248,392
<b>Adjustments</b>								
Inflation =	2.70%							
PC @ 5.3	\$56,095,025	\$74,485,860	\$80,435,812	\$76,847,621	\$53,144,048	\$38,477,562	\$61,362,920	\$4,171,690
25% of Residual TIC	\$0	\$55,544,364	\$97,217,710	\$0	\$34,293,679	\$0	\$64,596,294	\$190,699
Maximum	\$56,095,025	\$74,485,860	\$97,217,710	\$76,847,621	\$53,144,048	\$38,477,562	\$64,596,294	\$4,171,690
<b>Adjusted Revenues @ 5.3</b>								
Usage + Non-Service Related TIC Revenue	\$447,718,293	\$784,750,175	\$1,352,247,555	\$793,267,958	\$518,928,549	\$242,115,355	\$873,696,177	\$86,514,803
EUCL Rev	\$902,786,651	\$1,007,046,244	\$881,707,531	\$1,154,826,855	\$726,575,006	\$775,229,400	\$746,774,455	\$42,076,960
Per Line Rev	\$213,676,105	\$326,753,316	\$269,302,554	\$329,941,639	\$221,728,952	\$95,329,531	\$231,467,130	\$11,576,903
Total	\$1,564,181,050	\$2,118,549,735	\$2,503,257,640	\$2,278,036,451	\$1,467,232,507	\$1,112,674,286	\$1,851,937,762	\$140,168,665
Average MOU Rate	\$0.0089	\$0.0113	\$0.0234	\$0.0114	\$0.0130	\$0.0068	\$0.0161	\$0.0364

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<u>7/1/98</u>	<u>GTE</u>	<u>Alliant (Lincoln)</u>	<u>Frontier (Rochester)</u>	<u>SNET</u>	<u>Sprint</u>	<u>Total</u>	<u>BOCs</u>
<b>Forecast Revenue</b>							
LS	\$602,763,673	\$6,605,272	\$33,003,460	\$103,701,033	\$215,531,047	\$3,920,476,492	\$2,920,753,353
CCL	\$57,604,322	\$0	\$0	\$1,334,559	\$0	\$200,963,248	\$106,380,567
Service Related TIC	\$38,899,451	\$1,063,734	\$1,514,838	\$8,537,625	\$18,833,155	\$582,251,002	\$508,213,544
IS	\$53,034,632	\$270,273	\$579,346	\$8,810,493	\$5,232,546	\$171,232,531	\$101,700,789
Sw Trans	\$101,489,753	\$2,374,182	\$6,398,148	\$19,736,076	\$49,417,917	\$1,018,715,955	\$829,931,743
<b>Usage Revenue</b>	\$853,791,831	\$10,313,461	\$41,495,792	\$142,119,785	\$289,014,665	\$5,893,639,228	\$4,466,979,996
<b>Non-Service Related TIC</b>	\$0	\$1,148,974	\$0	\$24,493,739	\$0	\$1,033,013,693	\$1,006,608,186
<b>Remaining Traffic Sensitive</b>	\$20,666,621	\$451,613	\$1,010,184	\$2,269,968	\$12,071,447	\$339,027,518	\$300,088,323
Special Access	\$243,455,152	\$3,697,590	\$15,415,712	\$52,902,441	\$127,960,808	\$3,388,188,525	\$2,931,116,940
IX	\$31,313,653	\$38,199	\$0	\$0	\$7,537,401	\$406,675,380	\$367,786,126
EUCL Revenue	\$921,277,768	\$11,800,493	\$41,042,188	\$103,358,190	\$341,047,792	\$7,655,549,532	\$6,194,946,142
Per Line Revenue	\$255,506,191	\$2,806,303	\$13,137,277	\$31,432,069	\$100,407,478	\$2,103,065,446	\$1,688,199,227
<b>Total Interstate Access Revenue</b>	\$2,326,011,216	\$30,256,632	\$112,101,153	\$356,576,190	\$878,039,591	\$20,819,159,321	\$16,955,724,940
<b>Forecast MOUs (6% Growth)</b>	46,839,239,253	692,946,525	2,431,419,550	8,198,119,579	20,500,276,129	457,866,534,233	376,830,284,805
<b>Adjustments</b>							
Inflation =							
PC @ 5.3	\$60,476,292	\$786,672	\$2,914,630	\$9,270,981	\$22,829,029	\$541,298,142	\$440,848,848
25% of Residual TIC	\$0	\$287,243	\$0	\$6,123,435	\$0	\$258,253,423	\$251,652,047
Maximum	\$60,476,292	\$786,672	\$2,914,630	\$9,270,981	\$22,829,029	\$561,313,414	\$480,864,120
<b>Adjusted Revenues @ 5.3</b>							
Usage + Non-Service Related TIC Revenue	\$793,315,539	\$10,675,762	\$38,581,162	\$157,342,543	\$266,185,635	\$6,365,339,508	\$5,012,724,063
EUCL Rev	\$921,277,768	\$11,800,493	\$41,042,188	\$103,358,190	\$341,047,792	\$7,655,549,532	\$6,194,946,142
Per Line Rev	\$255,506,191	\$2,806,303	\$13,137,277	\$31,432,069	\$100,407,478	\$2,103,065,446	\$1,688,199,227
<b>Total</b>	\$1,970,099,498	\$25,282,558	\$92,760,627	\$292,132,801	\$707,640,905	\$16,123,954,486	\$12,895,869,431
<b>Average MOU Rate</b>	\$0.0169	\$0.0154	\$0.0159	\$0.0192	\$0.0130	\$0.0139	\$0.0133

# **Notes**

**Attachment 1**

- National Universal Service Fund data are from Attachment 4.
- Explicit LEC Collection mechanism for “Universal Service for America” is from Attachment 6, page 5, Residence and Business Line Charges.
- The Per MOU access rate decrease is obtained from Attachment 3.
- The Long distance reduction is obtained from Attachment 6, page 5.

**Attachment 2**

- Source data are from Appendix A.
- Estimated Total Reductions are determined by adding the 1997 Reduction and the cumulative total reductions from July 1, 1998 through July 1, 2001 as determined by taking the higher of 25% of the TIC or the annual price cap reduction, as noted in Appendix A4.

**Attachment 3**

- Source data are from Appendix A.

**Attachment 4**

Page 1

- Allocations of the National Services Fund are based on total interstate and intrastate retail revenues using 1995 TRS data. This results in allocations of 42.6% to the IXC's, 47.3% to the LEC's and 10.1% to others.
- Cellular/PCS industry revenues were reduced by 50% to reflect that these industries bill their customers for both originating and terminating calls. This adjustment places these industries on an equitable basis with other carriers.
- Cellular/PCS were treated similarly in calculating their universal service support obligations.

Page 2

- Allocations of the High Cost Rural Fund and Large LEC High Cost Fund are based on total interstate retail revenues. This results in allocations of 79.1% for IXC's, 12.7% for LEC's and 8.2% for others.
- LEC recovery of the High Cost Rural Fund and National Services Fund are based on interstate retail revenues.
- LEC recovery of the Large LEC High Cost Fund is based on total interstate revenues. Therefore, there is a “flowback” in access charges to the IXC's as shown.

**Notes on Appendix A**

- Annual growth assumed to be 6% for MOUs and 3% for lines. Traffic Sensitive Basket, IX Basket and Special Access assumed to grow at 6% rate. No growth assumed for Switched Transport.
- GDPPI, or inflation estimate, used is 2.1% in 1997 and 2.7% for 1998 and future years.
- The Average MOU Rates are determined by dividing Total Usage Revenue by MOUs.

**Notes for each time period**

**Appendix A1 July 1, 1996**

1. The 1995 revenue and demand data were obtained from Bellcore's May 20, 1996 Rollup of the 1996 Annual Price Cap Filing TRPs. Switched Transport revenue obtained from Bellcore's TRP database.

**Appendix A2 July 1, 1997**

1. The TIC reductions are equal 20% of the TIC.
2. The 11.25% represcription amounts were calculated using data from the LECs' 1996 Form 492A. An estimated tax rate of 40% was used.
3. The 5.3% price cap reductions are from preliminary price cap reductions provided by individual companies where available. Where not available, price cap reductions were estimated.
4. 1997 revenue reductions are targeted in the following order:
  - TIC rate element reduced, up to a maximum of 80% of TIC revenue.
  - Any excess reductions are taken in the CCL up to a maximum of the CCL revenue minus LTS.
  - If excess reductions are still required, then the local switching rate element is reduced.
5. The business SLCs are increased as follows:
  - ML business SLCs are increased to average cost or \$8.00, whichever is lower.
  - SL business SLCs are increased to average cost or \$6.00, whichever is lower.
  - The average costs used are the existing company average ML EUCL rates if they are less than \$6.00, or the rates are determined by dividing total Common Line Revenue (CCL plus EUCL reduced by LTS) by total EUCLs.
  - The calculations used in this attachment are based on average company rates and costs. The increased SLC revenues noted in Attachment 6 under "Restructures" are based on more detailed study area data and therefore do not match the amount calculated here using average company rates. The more accurate calculation of the increased SLC revenues is shown in Attachment 6.

Appendix A3 January 1, 1998

1. Revenues reflect adjustments made on July 1, 1997.
2. LTS is removed from the CCL revenue.
3. Demand reflects July 1, 1997 demand with no incremental growth.
4. The maximum per line revenues are determined by applying the \$2.00 rate to all business lines and \$1.00 rate to all residence lines, unless this revenue amount exceeds the total non-traffic sensitive CCL costs and 30% of local switching. If the total non-traffic sensitive CCL and local switching costs are determined to be the maximum per line revenue allowed, then the business and residence per line rates are adjusted downward proportionately.

Appendix A4 July 1, 1998

1. Demand reflects July 1, 1997 demand grown by the appropriate growth rates.
2. The non-service related TIC revenue equals 20% of the January 1, 1997 TIC revenue and reflects annual demand growth.
3. The price cap reduction is estimated by using a 5.3% productivity factor and 2.7% GDPPI. The price cap reduction is calculated using total July 1, 1998 interstate access revenue, including the per line revenue and non-service related TIC revenue.