

July 1998  
Projected Demand

| <b>7/1/98</b>                       | <b>Summary</b>   | <b>Scenario Modeled</b> | <b>Prod. Factor =</b> | <b>5.3%</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>Revenues</b>                     |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>Usage</b>                        | \$568,082,881    | \$674,059,385           | \$1,475,438,575       | \$1,103,827,662 | \$519,996,818   | \$388,107,817   | \$830,921,901   | \$113,075,155   |
| <b>PSL</b>                          | \$409,301,803    | \$542,709,396           | \$413,105,695         | \$500,851,291   | \$348,042,015   | \$252,941,905   | \$351,751,232   | \$15,237,789    |
| <b>EUCL</b>                         | \$1,028,428,256  | \$1,169,600,473         | \$1,014,725,081       | \$1,316,981,464 | \$817,039,782   | \$772,338,222   | \$887,584,241   | \$45,319,452    |
| <b>Sub Total</b>                    | \$2,005,812,939  | \$2,386,369,253         | \$2,903,269,351       | \$2,921,660,416 | \$1,685,078,614 | \$1,413,387,945 | \$2,070,257,374 | \$173,632,396   |
| <b>Other Interstate Access</b>      | \$639,433,065    | \$796,913,053           | \$589,825,895         | \$717,631,502   | \$626,210,573   | \$395,020,413   | \$527,757,244   | \$19,255,805    |
| <b>Total Access</b>                 | \$2,645,246,005  | \$3,183,282,307         | \$3,493,095,245       | \$3,639,291,918 | \$2,311,289,187 | \$1,808,408,357 | \$2,598,014,618 | \$192,888,201   |
| <b>PC Reduction</b>                 | \$70,612,316     | \$84,974,682            | \$93,244,842          | \$97,147,423    | \$61,697,658    | \$48,273,734    | \$69,351,520    | \$5,148,966     |
| <b>TIC Reduction Complete</b>       | TIC Eliminated   |                         |                       |                 |                 | TIC Eliminated  |                 |                 |
| <b>Universal Service Obligation</b> |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>Net USF Funding</b>              | \$148,193,081    | \$153,636,762           | \$159,922,460         | \$181,460,360   | \$108,494,002   | \$111,692,269   | \$116,993,085   | \$9,066,126     |
| <b>Access Flowback</b>              | \$118,064,945    | \$118,705,193           | \$134,197,948         | \$153,831,685   | \$85,383,009    | \$96,533,556    | \$95,476,396    | \$8,096,272     |
| <b>Rates</b>                        |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>EUCL</b>                         |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>SL Res/Bus</b>                   | \$3.50           | \$3.50                  | \$3.50                | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          |
| <b>2nd Line/Home</b>                | \$5.00           | \$5.00                  | \$5.00                | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00          |
| <b>MLB</b>                          | \$5.42           | \$6.00                  | \$7.41                | \$7.93          | \$6.56          | \$5.33          | \$7.29          | \$7.28          |
| <b>BFP</b>                          | \$5.42           | \$6.00                  | \$7.41                | \$7.93          | \$6.56          | \$5.33          | \$7.29          | \$7.28          |
| <b>PSL</b>                          |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>SL Res/Bus</b>                   | \$0.75           | \$0.75                  | \$0.75                | \$0.75          | \$0.75          | \$0.75          | \$0.75          | \$0.75          |
| <b>2nd Line/home</b>                | \$1.50           | \$1.50                  | \$1.50                | \$1.50          | \$1.50          | \$1.50          | \$1.50          | \$1.50          |
| <b>MLB</b>                          | \$4.50           | \$4.50                  | \$4.50                | \$4.50          | \$4.50          | \$3.56          | \$4.50          | \$4.50          |
| <b>Orig MOU</b>                     | \$0.0118         | \$0.0127                | \$0.0334              | \$0.0250        | \$0.0187        | \$0.0097        | \$0.0210        | \$0.0528        |
| <b>Term MOU</b>                     | \$0.0100         | \$0.0081                | \$0.0175              | \$0.0087        | \$0.0091        | \$0.0097        | \$0.0103        | \$0.0390        |
| <b>Average MOU Rate</b>             | \$0.0108         | \$0.0101                | \$0.0247              | \$0.0160        | \$0.0134        | \$0.0097        | \$0.0151        | \$0.0452        |

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Projected Demand

| <u>7/1/98</u>                       |                 |                              |                                 |               |                 |                  |
|-------------------------------------|-----------------|------------------------------|---------------------------------|---------------|-----------------|------------------|
|                                     | <u>GTE</u>      | <u>Alliant<br/>(Lincoln)</u> | <u>Frontier<br/>(Rochester)</u> | <u>SNET</u>   | <u>Sprint</u>   | <u>Total</u>     |
| <b>Revenues</b>                     |                 |                              |                                 |               |                 |                  |
| <b>Usage</b>                        | \$1,211,614,045 | \$11,607,267                 | \$55,529,594                    | \$163,862,581 | \$449,069,276   | \$7,565,192,957  |
| <b>PSL</b>                          | \$357,984,104   | \$5,822,896                  | \$18,254,093                    | \$46,182,601  | \$136,352,304   | \$3,398,537,123  |
| <b>EUCL</b>                         | \$1,007,134,471 | \$13,797,808                 | \$47,140,061                    | \$118,600,701 | \$379,959,355   | \$8,618,649,365  |
| <b>Sub Total</b>                    | \$2,576,732,620 | \$31,227,971                 | \$120,923,748                   | \$328,645,883 | \$965,380,935   | \$19,582,379,445 |
| <b>Other Interstate Access</b>      | \$352,613,072   | \$5,017,325                  | \$19,753,405                    | \$66,437,785  | \$176,631,832   | \$4,932,500,968  |
| <b>Total Access</b>                 | \$2,929,345,692 | \$36,245,295                 | \$140,677,153                   | \$395,083,668 | \$1,142,012,767 | \$24,514,880,413 |
| <b>PC Reduction</b>                 | \$78,196,086    | \$967,534                    | \$3,755,242                     | \$10,546,381  | \$30,484,940    | \$654,401,325    |
| <b>TIC Reduction Complete</b>       | TIC Eliminated  |                              | TIC Eliminated                  |               | TIC Eliminated  |                  |
| <b>Universal Service Obligation</b> |                 |                              |                                 |               |                 |                  |
| <b>Net USF Funding</b>              | \$142,974,474   | \$2,064,844                  | \$4,707,149                     | \$20,634,556  | \$56,967,333    | \$1,216,806,500  |
| <b>Access Flowback</b>              | \$126,392,919   | \$1,860,632                  | \$4,165,110                     | \$17,525,050  | \$49,263,966    | \$1,009,496,680  |
| <b>Rates</b>                        |                 |                              |                                 |               |                 |                  |
| <b>EUCL</b>                         |                 |                              |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50                       | \$3.50                          | \$3.50        | \$3.50          | \$3.50           |
| <b>2nd Line/Home</b>                | \$5.00          | \$5.00                       | \$5.00                          | \$5.00        | \$5.00          | \$5.00           |
| <b>MLB</b>                          | \$8.29          | \$5.50                       | \$6.12                          | \$7.36        | \$7.16          | \$6.68           |
| <b>BFP</b>                          | \$8.29          | \$5.50                       | \$6.12                          | \$7.36        | \$7.16          | \$6.80           |
| <b>PSL</b>                          |                 |                              |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$0.75          | \$0.75                       | \$0.75                          | \$0.75        | \$0.75          | \$0.75           |
| <b>2nd Line/home</b>                | \$1.50          | \$1.50                       | \$1.50                          | \$1.50        | \$1.50          | \$1.50           |
| <b>MLB</b>                          | \$4.50          | \$4.50                       | \$4.50                          | \$4.50        | \$4.50          | \$4.38           |
| <b>Orig MOU</b>                     | \$0.0353        | \$0.0199                     | \$0.0291                        | \$0.0262      | \$0.0296        | \$0.0235         |
| <b>Term MOU</b>                     | \$0.0172        | \$0.0148                     | \$0.0158                        | \$0.0142      | \$0.0149        | \$0.0104         |
| <b>Average MOU Rate</b>             | \$0.0253        | \$0.0171                     | \$0.0218                        | \$0.0196      | \$0.0215        | \$0.0163         |

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| <u>7/1/99</u>                | Summary         | Scenario Modeled | Prod. Factor =  | 5.3%            |                 |                 |                 |                |
|------------------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
|                              | Ameritech       | BA               | NYNEX           | BS              | SBC             | PAC             | USW             | Citizens       |
| <b>Revenues</b>              |                 |                  |                 |                 |                 |                 |                 |                |
| Usage                        | \$598,727,675   | \$664,767,227    | \$1,250,904,950 | \$801,645,015   | \$431,723,940   | \$409,742,497   | \$661,833,077   | \$56,320,188   |
| PSL                          | \$350,097,589   | \$507,556,795    | \$630,524,243   | \$768,337,225   | \$403,078,100   | \$213,999,706   | \$495,587,583   | \$24,152,655   |
| EUCL                         | \$1,073,850,014 | \$1,237,040,078  | \$1,078,710,852 | \$1,393,674,726 | \$864,961,914   | \$805,391,586   | \$939,617,340   | \$48,156,430   |
| Sub Total                    | \$2,022,675,278 | \$2,409,364,099  | \$2,960,140,045 | \$2,963,656,966 | \$1,699,763,955 | \$1,429,133,788 | \$2,097,038,000 | \$128,629,272  |
| Other Interstate Access      | \$684,193,380   | \$852,696,967    | \$631,113,707   | \$767,865,707   | \$670,045,313   | \$422,671,842   | \$564,700,251   | \$20,603,711   |
| Total Access                 | \$2,706,868,658 | \$3,262,061,066  | \$3,591,253,753 | \$3,731,522,673 | \$2,369,809,268 | \$1,851,805,630 | \$2,661,738,251 | \$149,232,984  |
| PC Reduction                 | \$72,257,274    | \$87,077,605     | \$95,865,090    | \$99,609,435    | \$63,259,796    | \$49,432,183    | \$71,052,561    | \$5,295,360    |
| TIC Reduction Complete       | TIC Eliminated  | TIC Eliminated   |                 | TIC Eliminated  |                 | TIC Eliminated  | TIC Eliminated  |                |
| Universal Service Obligation |                 |                  |                 |                 |                 |                 |                 |                |
| Net USF Funding              | \$215,141,138   | \$220,008,737    | \$154,670,531   | \$41,033,141    | \$83,399,688    | \$198,195,192   | \$54,637,836    | (\$49,139,351) |
| Access Flowback              | \$170,487,626   | \$169,466,471    | \$129,615,148   | \$34,717,145    | \$65,460,297    | \$170,643,661   | \$44,486,890    | (\$43,844,727) |
| Rates                        |                 |                  |                 |                 |                 |                 |                 |                |
| EUCL                         |                 |                  |                 |                 |                 |                 |                 |                |
| SL Res/Bus                   | \$3.50          | \$3.50           | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50         |
| 2nd Line/Home                | \$5.40          | \$5.97           | \$6.14          | \$6.14          | \$6.14          | \$5.31          | \$6.14          | \$6.14         |
| MLB                          | \$5.40          | \$5.97           | \$7.38          | \$7.90          | \$6.53          | \$5.31          | \$7.26          | \$7.25         |
| BFP                          | \$5.40          | \$5.97           | \$7.38          | \$7.90          | \$6.53          | \$5.31          | \$7.26          | \$7.25         |
| PSL                          |                 |                  |                 |                 |                 |                 |                 |                |
| SL Res/Bus                   | \$1.27          | \$1.27           | \$1.27          | \$1.27          | \$1.27          | \$1.27          | \$1.27          | \$1.27         |
| 2nd Line/home                | \$2.54          | \$2.54           | \$2.54          | \$2.54          | \$2.54          | \$2.54          | \$2.54          | \$2.54         |
| MLB                          | \$3.45          | \$4.54           | \$6.12          | \$6.12          | \$5.02          | \$3.01          | \$6.12          | \$6.12         |
| Orig MOU                     | \$0.0099        | \$0.0080         | \$0.0268        | \$0.0117        | \$0.0089        | \$0.0095        | \$0.0101        | \$0.0222       |
| Term MOU                     | \$0.0099        | \$0.0080         | \$0.0140        | \$0.0086        | \$0.0089        | \$0.0095        | \$0.0101        | \$0.0175       |
| Average MOU Rate             | \$0.0099        | \$0.0080         | \$0.0198        | \$0.0100        | \$0.0089        | \$0.0095        | \$0.0101        | \$0.0196       |

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| <u>7/1/99</u>                       |                        |                             |                                 |                      |                      |                        |
|-------------------------------------|------------------------|-----------------------------|---------------------------------|----------------------|----------------------|------------------------|
|                                     | <b>GTE</b>             | <b>Aliant<br/>(Lincoln)</b> | <b>Frontier<br/>(Rochester)</b> | <b>SNET</b>          | <b>Sprint</b>        | <b>Total</b>           |
| <b>Revenues</b>                     |                        |                             |                                 |                      |                      |                        |
| <b>Usage</b>                        | \$785,370,587          | \$12,253,332                | \$45,904,975                    | \$138,134,460        | \$267,304,024        | \$5,942,127,435        |
| <b>PSL</b>                          | \$555,035,496          | \$0                         | \$14,858,316                    | \$70,970,407         | \$192,088,221        | \$4,226,286,335        |
| <b>EUCL</b>                         | <u>\$1,066,725,914</u> | <u>\$14,427,275</u>         | <u>\$49,995,836</u>             | <u>\$125,564,302</u> | <u>\$403,097,746</u> | <u>\$9,101,214,012</u> |
| <b>Sub Total</b>                    | \$2,407,131,997        | \$26,680,606                | \$110,759,127                   | \$334,669,168        | \$862,489,990        | \$19,269,627,781       |
| <b>Other Interstate Access</b>      | <u>\$377,295,987</u>   | <u>\$5,368,538</u>          | <u>\$21,136,143</u>             | <u>\$71,088,430</u>  | <u>\$188,996,060</u> | <u>\$4,503,982,907</u> |
| <b>Total Access</b>                 | \$2,784,427,983        | \$32,049,144                | \$131,895,271                   | \$405,757,598        | \$1,051,486,050      | \$23,773,610,689       |
| <b>PC Reduction</b>                 | \$80,265,035           | \$988,422                   | \$3,850,246                     | \$10,831,312         | \$31,265,382         | \$671,049,700          |
| <b>TIC Reduction Complete</b>       | TIC Eliminated         |                             | TIC Eliminated                  |                      | TIC Eliminated       | TIC Eliminated         |
| <b>Universal Service Obligation</b> |                        |                             |                                 |                      |                      |                        |
| <b>Net USF Funding</b>              | (\$222,423,696)        | (\$6,163,391)               | (\$12,340,851)                  | \$14,731,990         | (\$119,763,242)      | \$571,987,722          |
| <b>Access Flowback</b>              | (\$196,357,710)        | (\$5,540,298)               | (\$10,907,022)                  | \$12,488,688         | (\$103,429,809)      | \$471,675,592          |
| <b>Rates</b>                        |                        |                             |                                 |                      |                      |                        |
| <b>EUCL</b>                         |                        |                             |                                 |                      |                      |                        |
| <b>SL Res/Bus</b>                   | \$3.50                 | \$3.50                      | \$3.50                          | \$3.50               | \$3.50               | \$3.50                 |
| <b>2nd Line/Home</b>                | \$6.14                 | \$5.48                      | \$6.10                          | \$6.14               | \$6.14               | \$5.96                 |
| <b>MLB</b>                          | \$8.25                 | \$5.48                      | \$6.10                          | \$7.33               | \$7.13               | \$6.65                 |
| <b>BFP</b>                          | \$8.25                 | \$5.48                      | \$6.10                          | \$7.33               | \$7.13               | \$6.78                 |
| <b>PSL</b>                          |                        |                             |                                 |                      |                      |                        |
| <b>SL Res/Bus</b>                   | \$1.27                 | \$0.00                      | \$1.27                          | \$1.27               | \$1.27               | \$1.27                 |
| <b>2nd Line/home</b>                | \$2.54                 | \$0.00                      | \$2.54                          | \$2.54               | \$2.54               | \$2.54                 |
| <b>MLB</b>                          | \$6.12                 | \$0.00                      | \$0.77                          | \$6.12               | \$4.95               | \$4.93                 |
| <b>Orig MOU</b>                     | \$0.0158               | \$0.0146                    | \$0.0156                        | \$0.0184             | \$0.0108             | \$0.0125               |
| <b>Term MOU</b>                     | \$0.0123               | \$0.0146                    | \$0.0156                        | \$0.0126             | \$0.0108             | \$0.0099               |
| <b>Average MOU Rate</b>             | \$0.0139               | \$0.0146                    | \$0.0156                        | \$0.0152             | \$0.0108             | \$0.0111               |

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Projected Demand

| <u>7/1/00</u>                       | Summary         | Scenario Modeled | Prod. Factor =  | 5.3%            |                 |                 |                 |                |
|-------------------------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
|                                     | Ameritech       | BA               | NYNEX           | BS              | SBC             | PAC             | USW             | Citizens       |
| <b>Revenues</b>                     |                 |                  |                 |                 |                 |                 |                 |                |
| <b>Usage</b>                        | \$631,243,976   | \$701,041,628    | \$1,030,917,778 | \$758,501,606   | \$455,226,886   | \$432,725,618   | \$696,558,486   | \$53,065,552   |
| <b>PSL</b>                          | \$287,203,216   | \$422,504,859    | \$807,255,275   | \$733,052,964   | \$334,010,999   | \$173,262,573   | \$407,121,540   | \$0            |
| <b>EUCL</b>                         | \$1,114,333,503 | \$1,286,342,574  | \$1,152,281,429 | \$1,481,537,548 | \$905,664,548   | \$836,794,817   | \$997,952,776   | \$51,380,141   |
| <b>Sub Total</b>                    | \$2,032,780,694 | \$2,409,889,061  | \$2,990,454,483 | \$2,973,092,117 | \$1,694,902,433 | \$1,442,783,008 | \$2,101,632,801 | \$104,445,693  |
| <b>Other Interstate Access</b>      | \$732,086,916   | \$912,385,755    | \$675,291,667   | \$821,616,307   | \$716,948,485   | \$452,258,870   | \$604,229,269   | \$22,045,971   |
| <b>Total Access</b>                 | \$2,764,867,610 | \$3,322,274,816  | \$3,665,746,150 | \$3,794,708,424 | \$2,411,850,918 | \$1,895,041,878 | \$2,705,862,070 | \$126,491,664  |
| <b>PC Reduction</b>                 | \$73,805,501    | \$88,684,954     | \$97,853,593    | \$101,296,118   | \$64,382,057    | \$50,586,334    | \$72,230,404    | \$4,040,028    |
| <b>TIC Reduction Complete</b>       | TIC Eliminated  | TIC Eliminated   |                 | TIC Eliminated  | TIC Eliminated  | TIC Eliminated  | TIC Eliminated  | TIC Eliminated |
| <b>Universal Service Obligation</b> |                 |                  |                 |                 |                 |                 |                 |                |
| <b>Net USF Funding</b>              | \$219,666,359   | \$224,889,420    | \$158,785,072   | \$45,654,385    | \$86,469,674    | \$201,984,102   | \$57,922,457    | (\$48,987,103) |
| <b>Access Flowback</b>              | \$172,956,220   | \$172,079,924    | \$133,026,902   | \$38,588,201    | \$67,551,538    | \$173,187,342   | \$47,096,061    | (\$43,695,392) |
| <b>Rates</b>                        |                 |                  |                 |                 |                 |                 |                 |                |
| <b>EUCL</b>                         |                 |                  |                 |                 |                 |                 |                 |                |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50           | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50         |
| <b>2nd Line/Home</b>                | \$5.38          | \$5.95           | \$7.30          | \$7.30          | \$6.50          | \$5.28          | \$7.23          | \$7.22         |
| <b>MLB</b>                          | \$5.38          | \$5.95           | \$7.35          | \$7.87          | \$6.50          | \$5.28          | \$7.23          | \$7.22         |
| <b>BFP</b>                          | \$5.38          | \$5.95           | \$7.35          | \$7.87          | \$6.50          | \$5.28          | \$7.23          | \$7.22         |
| <b>PSL</b>                          |                 |                  |                 |                 |                 |                 |                 |                |
| <b>SL Res/Bus</b>                   | \$1.80          | \$1.80           | \$1.80          | \$1.80          | \$1.80          | \$1.78          | \$1.80          | \$0.00         |
| <b>2nd Line/home</b>                | \$3.61          | \$3.61           | \$3.61          | \$3.61          | \$3.61          | \$3.61          | \$3.61          | \$0.00         |
| <b>MLB</b>                          | \$1.17          | \$2.21           | \$7.79          | \$4.20          | \$2.17          | \$1.52          | \$2.73          | \$0.00         |
| <b>Orig MOU</b>                     | \$0.0097        | \$0.0078         | \$0.0158        | \$0.0084        | \$0.0088        | \$0.0094        | \$0.0099        | \$0.0173       |
| <b>Term MOU</b>                     | \$0.0097        | \$0.0078         | \$0.0138        | \$0.0084        | \$0.0088        | \$0.0094        | \$0.0099        | \$0.0173       |
| <b>Average MOU Rate</b>             | \$0.0097        | \$0.0078         | \$0.0147        | \$0.0084        | \$0.0088        | \$0.0094        | \$0.0099        | \$0.0173       |

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| <b>7/1/00</b>                       |                 |                             |                                 |                |                 |                  |
|-------------------------------------|-----------------|-----------------------------|---------------------------------|----------------|-----------------|------------------|
|                                     | <b>GTE</b>      | <b>Aliant<br/>(Lincoln)</b> | <b>Frontier<br/>(Rochester)</b> | <b>SNET</b>    | <b>Sprint</b>   | <b>Total</b>     |
| <b>Revenues</b>                     |                 |                             |                                 |                |                 |                  |
| <b>Usage</b>                        | \$738,137,380   | \$12,939,627                | \$48,736,313                    | \$132,257,464  | \$282,642,642   | \$5,730,735,628  |
| <b>PSL</b>                          | \$332,925,326   | \$0                         | \$0                             | \$71,895,892   | \$34,603,159    | \$3,603,835,803  |
| <b>EUCL</b>                         | \$1,135,341,827 | \$14,958,624                | \$51,859,455                    | \$133,562,003  | \$428,058,189   | \$9,590,067,433  |
| <b>Sub Total</b>                    | \$2,206,404,533 | \$27,898,251                | \$100,595,768                   | \$337,715,359  | \$745,303,990   | \$18,924,638,864 |
| <b>Other Interstate Access</b>      | \$403,706,706   | \$5,744,335                 | \$22,615,673                    | \$76,064,620   | \$202,225,784   | \$4,503,982,907  |
| <b>Total Access</b>                 | \$2,610,111,239 | \$33,642,586                | \$123,211,441                   | \$413,779,979  | \$947,529,774   | \$23,428,621,771 |
| <b>PC Reduction</b>                 | \$75,516,636    | \$872,188                   | \$3,574,364                     | \$11,045,461   | \$28,451,466    | \$672,339,104    |
| <b>TIC Reduction Complete</b>       | TIC Eliminated  |                             | TIC Eliminated                  | TIC Eliminated | TIC Eliminated  | TIC Eliminated   |
| <b>Universal Service Obligation</b> |                 |                             |                                 |                |                 |                  |
| <b>Net USF Funding</b>              | (\$218,858,131) | (\$6,102,116)               | (\$12,139,852)                  | \$15,152,668   | (\$118,305,901) | \$606,131,035    |
| <b>Access Flowback</b>              | (\$193,089,317) | (\$5,467,534)               | (\$10,690,192)                  | \$12,833,722   | (\$102,065,328) | \$462,312,148    |
| <b>Rates</b>                        |                 |                             |                                 |                |                 |                  |
| <b>EUCL</b>                         |                 |                             |                                 |                |                 |                  |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50                      | \$3.50                          | \$3.50         | \$3.50          | \$3.50           |
| <b>2nd Line/Home</b>                | \$7.30          | \$5.45                      | \$6.07                          | \$7.30         | \$7.11          | \$6.62           |
| <b>MLB</b>                          | \$8.22          | \$5.45                      | \$6.07                          | \$7.30         | \$7.11          | \$6.63           |
| <b>BFP</b>                          | \$8.22          | \$5.45                      | \$6.07                          | \$7.30         | \$7.11          | \$6.75           |
| <b>PSL</b>                          |                 |                             |                                 |                |                 |                  |
| <b>SL Res/Bus</b>                   | \$1.80          | \$0.00                      | \$0.00                          | \$1.80         | \$0.54          | \$1.71           |
| <b>2nd Line/home</b>                | \$2.78          | \$0.00                      | \$0.00                          | \$3.61         | \$0.00          | \$3.27           |
| <b>MLB</b>                          | \$0.00          | \$0.00                      | \$0.00                          | \$5.94         | \$0.00          | \$2.69           |
| <b>Orig MOU</b>                     | \$0.0122        | \$0.0145                    | \$0.0155                        | \$0.0125       | \$0.0107        | \$0.0099         |
| <b>Term MOU</b>                     | \$0.0122        | \$0.0145                    | \$0.0155                        | \$0.0125       | \$0.0107        | \$0.0097         |
| <b>Average MOU Rate</b>             | \$0.0122        | \$0.0145                    | \$0.0155                        | \$0.0125       | \$0.0107        | \$0.0098         |



July 1997  
Historical Demand

| <u>7/1/97</u>                       | Summary         |                 |                 |                 |                 |                 |                 |               |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                                     |                 |                 | Prod. Factor =  | 5.3%            |                 |                 |                 |               |
|                                     | Ameritech       | BA              | NYNEX           | BS              | SBC             | PAC             | USW             | Citizens      |
| <b>Revenues</b>                     |                 |                 |                 |                 |                 |                 |                 |               |
| <b>Usage</b>                        | \$1,019,327,319 | \$1,254,709,335 | \$1,841,905,953 | \$1,670,530,360 | \$881,700,275   | \$685,545,713   | \$1,206,954,221 | \$119,438,374 |
| <b>PSL</b>                          | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0           |
| <b>EUCL</b>                         | \$872,737,079   | \$974,844,178   | \$846,478,548   | \$1,045,384,527 | \$701,052,199   | \$735,810,850   | \$721,084,423   | \$38,053,167  |
| <b>Sub Total</b>                    | \$1,892,064,398 | \$2,229,553,513 | \$2,688,384,502 | \$2,715,914,887 | \$1,582,752,473 | \$1,421,356,563 | \$1,928,038,644 | \$157,491,540 |
| <b>Other Interstate Access</b>      | \$539,618,940   | \$672,516,641   | \$497,755,342   | \$605,610,770   | \$528,460,451   | \$333,358,577   | \$445,375,474   | \$16,250,015  |
| <b>Total Access</b>                 | \$2,431,683,338 | \$2,902,070,155 | \$3,186,139,844 | \$3,321,525,656 | \$2,111,212,924 | \$1,754,715,140 | \$2,373,414,119 | \$173,741,556 |
| <b>PC Reduction</b>                 | \$112,500,000   | \$97,842,239    | \$90,433,531    | \$42,699,672    | \$36,157,651    | \$46,937,408    | \$146,420,212   | \$5,380,124   |
| <b>Universal Service Obligation</b> |                 |                 |                 |                 |                 |                 |                 |               |
| <b>Net USF Funding</b>              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0           |
| <b>Access Flowback</b>              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0             | \$0           |
| <b>Rates</b>                        |                 |                 |                 |                 |                 |                 |                 |               |
| <b>EUCL</b>                         |                 |                 |                 |                 |                 |                 |                 |               |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50        |
| <b>2nd Line/Home</b>                | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50        |
| <b>MLB</b>                          | \$4.80          | \$5.30          | \$6.00          | \$6.00          | \$5.98          | \$4.69          | \$5.72          | \$6.00        |
| <b>BFP</b>                          | \$4.80          | \$5.38          | \$6.07          | \$7.29          | \$5.98          | \$4.69          | \$6.48          | \$6.03        |
| <b>PSL</b>                          |                 |                 |                 |                 |                 |                 |                 |               |
| <b>SL Res/Bus</b>                   | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00        |
| <b>2nd Line/home</b>                | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00        |
| <b>MLB</b>                          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00        |
| <b>Orig MOU</b>                     | \$0.0213        | \$0.0190        | \$0.0334        | \$0.0252        | \$0.0232        | \$0.0202        | \$0.0233        | \$0.0528      |
| <b>Term MOU</b>                     | \$0.0213        | \$0.0190        | \$0.0334        | \$0.0252        | \$0.0232        | \$0.0202        | \$0.0233        | \$0.0528      |
| <b>Average MOU Rate</b>             | \$0.0213        | \$0.0190        | \$0.0334        | \$0.0252        | \$0.0232        | \$0.0202        | \$0.0233        | \$0.0528      |

July 1997  
Historical Demand

| <u>7/1/97</u>                       |                 |                             |                                 |               |                 |                  |
|-------------------------------------|-----------------|-----------------------------|---------------------------------|---------------|-----------------|------------------|
|                                     | <u>GTE</u>      | <u>Aliant<br/>(Lincoln)</u> | <u>Frontier<br/>(Rochester)</u> | <u>SNET</u>   | <u>Sprint</u>   | <u>Total</u>     |
| <b>Revenues</b>                     |                 |                             |                                 |               |                 |                  |
| <b>Usage</b>                        | \$1,573,068,393 | \$18,068,892                | \$72,879,744                    | \$204,918,130 | \$578,572,492   | \$11,127,619,199 |
| <b>PSL</b>                          | \$0             | \$0                         | \$0                             | \$0           | \$0             | \$0              |
| <b>EUCL</b>                         | \$812,152,070   | \$11,374,515                | \$39,548,370                    | \$98,754,545  | \$313,991,748   | \$7,211,266,219  |
| <b>Sub Total</b>                    | \$2,385,220,463 | \$29,443,407                | \$112,428,114                   | \$303,672,675 | \$892,564,240   | \$18,338,885,419 |
| <b>Other Interstate Access</b>      | \$297,570,930   | \$4,234,131                 | \$16,669,941                    | \$56,066,990  | \$149,059,983   | \$4,162,548,186  |
| <b>Total Access</b>                 | \$2,682,791,393 | \$33,677,538                | \$129,098,054                   | \$359,739,664 | \$1,041,624,223 | \$22,501,433,605 |
| <b>PC Reduction</b>                 | \$83,486,440    | \$70,771                    | \$3,998,315                     | \$6,338,910   | \$32,161,783    | \$704,427,056    |
| <b>Universal Service Obligation</b> |                 |                             |                                 |               |                 |                  |
| <b>Net USF Funding</b>              | \$0             | \$0                         | \$0                             | \$0           | \$0             | \$0              |
| <b>Access Flowback</b>              | \$0             | \$0                         | \$0                             | \$0           | \$0             | \$0              |
| <b>Rates</b>                        |                 |                             |                                 |               |                 |                  |
| <b>EUCL</b>                         |                 |                             |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50                      | \$3.50                          | \$3.50        | \$3.50          | \$3.50           |
| <b>2nd Line/Home</b>                | \$3.50          | \$3.50                      | \$3.50                          | \$3.50        | \$3.50          | \$3.50           |
| <b>MLB</b>                          | \$5.99          | \$4.42                      | \$4.72                          | \$5.93        | \$5.63          | \$5.51           |
| <b>BFP</b>                          | \$7.32          | \$4.48                      | \$4.72                          | \$5.93        | \$6.29          | \$6.01           |
| <b>PSL</b>                          |                 |                             |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$0.00          | \$0.00                      | \$0.00                          | \$0.00        | \$0.00          | \$0.00           |
| <b>2nd Line/home</b>                | \$0.00          | \$0.00                      | \$0.00                          | \$0.00        | \$0.00          | \$0.00           |
| <b>MLB</b>                          | \$0.00          | \$0.00                      | \$0.00                          | \$0.00        | \$0.00          | \$0.00           |
| <b>Orig MOU</b>                     | \$0.0353        | \$0.0274                    | \$0.0315                        | \$0.0262      | \$0.0296        | \$0.0255         |
| <b>Term MOU</b>                     | \$0.0353        | \$0.0274                    | \$0.0315                        | \$0.0262      | \$0.0296        | \$0.0255         |
| <b>Average MOU Rate</b>             | \$0.0353        | \$0.0274                    | \$0.0315                        | \$0.0262      | \$0.0296        | \$0.0255         |

Jan. 1998  
Historical Demand

| <u>1/1/98</u>                       | Summary         | Scenario Modeled | Prod. Factor =  | 5.3%            |                 |                 |                 |               |
|-------------------------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                                     | Ameritech       | BA               | NYNEX           | BS              | SBC             | PAC             | USW             | Citizens      |
| <b>Revenues</b>                     |                 |                  |                 |                 |                 |                 |                 |               |
| <b>Usage</b>                        | \$516,132,697   | \$654,643,646    | \$1,363,691,754 | \$1,039,925,923 | \$501,294,847   | \$350,228,506   | \$782,415,349   | \$103,499,007 |
| <b>PSL</b>                          | \$412,763,774   | \$496,713,912    | \$386,067,618   | \$461,475,997   | \$320,499,359   | \$265,844,466   | \$324,787,957   | \$14,064,089  |
| <b>EUCL</b>                         | \$957,938,031   | \$1,080,804,812  | \$967,245,140   | \$1,227,127,383 | \$762,809,619   | \$801,559,477   | \$830,431,788   | \$42,163,306  |
| <b>Sub Total</b>                    | \$1,886,834,501 | \$2,232,162,370  | \$2,717,004,511 | \$2,728,529,303 | \$1,584,603,825 | \$1,417,632,448 | \$1,937,635,095 | \$159,726,402 |
| <b>Other Interstate Access</b>      | \$558,505,603   | \$696,054,724    | \$515,176,779   | \$626,807,147   | \$546,956,566   | \$345,026,127   | \$460,963,616   | \$16,818,766  |
| <b>Total Access</b>                 | \$2,445,340,104 | \$2,928,217,093  | \$3,232,181,291 | \$3,355,336,450 | \$2,131,560,392 | \$1,762,658,575 | \$2,398,598,711 | \$176,545,168 |
| <b>PC Reduction</b>                 | \$0             | \$0              | \$0             | \$0             | \$0             | \$0             | \$0             | \$0           |
| <b>Universal Service Obligation</b> |                 |                  |                 |                 |                 |                 |                 |               |
| <b>Net USF Funding</b>              | \$148,971,117   | \$154,099,768    | \$161,429,914   | \$182,535,120   | \$109,041,218   | \$114,297,357   | \$117,682,708   | \$9,134,007   |
| <b>Access Flowback</b>              | \$120,169,766   | \$120,517,731    | \$137,272,711   | \$156,191,487   | \$86,978,010    | \$100,931,350   | \$97,198,087    | \$8,209,705   |
| <b>Rates</b>                        |                 |                  |                 |                 |                 |                 |                 |               |
| <b>EUCL</b>                         |                 |                  |                 |                 |                 |                 |                 |               |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50           | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50        |
| <b>2nd Line/Home</b>                | \$5.00          | \$5.00           | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00        |
| <b>MLB</b>                          | \$5.41          | \$5.99           | \$7.31          | \$7.92          | \$6.55          | \$5.23          | \$7.26          | \$7.25        |
| <b>BFP</b>                          | \$5.41          | \$5.99           | \$7.31          | \$7.92          | \$6.55          | \$5.23          | \$7.26          | \$7.25        |
| <b>PSL</b>                          |                 |                  |                 |                 |                 |                 |                 |               |
| <b>SL Res/Bus</b>                   | \$0.75          | \$0.75           | \$0.75          | \$0.75          | \$0.75          | \$0.75          | \$0.75          | \$0.75        |
| <b>2nd Line/home</b>                | \$1.50          | \$1.50           | \$1.50          | \$1.50          | \$1.50          | \$1.50          | \$1.50          | \$1.50        |
| <b>MLB</b>                          | \$4.50          | \$4.50           | \$4.50          | \$4.50          | \$4.50          | \$3.96          | \$4.50          | \$4.50        |
| <b>Orig MOU</b>                     | \$0.014456      | \$0.0150         | \$0.0334        | \$0.0252        | \$0.0216        | \$0.0100        | \$0.0233        | \$0.0528      |
| <b>Term MOU</b>                     | \$0.010415      | \$0.0084         | \$0.0205        | \$0.0111        | \$0.0094        | \$0.0100        | \$0.0108        | \$0.0436      |
| <b>Average MOU Rate</b>             | \$0.012233      | \$0.0114         | \$0.0263        | \$0.0175        | \$0.0149        | \$0.0100        | \$0.0164        | \$0.0477      |

Jan. 1998  
Historical Demand

| <u>1/1/98</u>                       |                 |                             |                                 |               |                 |                  |
|-------------------------------------|-----------------|-----------------------------|---------------------------------|---------------|-----------------|------------------|
|                                     | <b>GTE</b>      | <b>Aliant<br/>(Lincoln)</b> | <b>Frontier<br/>(Rochester)</b> | <b>SNET</b>   | <b>Sprint</b>   | <b>Total</b>     |
| <b>Revenues</b>                     |                 |                             |                                 |               |                 |                  |
| <b>Usage</b>                        | \$1,116,054,498 | \$10,974,463                | \$51,494,139                    | \$152,071,516 | \$417,071,143   | \$7,059,497,487  |
| <b>PSL</b>                          | \$333,865,500   | \$5,417,262                 | \$16,991,005                    | \$42,933,097  | \$125,937,160   | \$3,207,361,196  |
| <b>EUCL</b>                         | \$953,804,823   | \$12,791,440                | \$44,590,454                    | \$111,901,513 | \$354,682,760   | \$8,147,850,545  |
| <b>Sub Total</b>                    | \$2,403,724,820 | \$29,183,165                | \$113,075,598                   | \$306,906,125 | \$897,691,064   | \$18,414,709,228 |
| <b>Other Interstate Access</b>      | \$307,985,913   | \$4,382,326                 | \$17,253,389                    | \$58,029,334  | \$154,277,083   | \$4,308,237,373  |
| <b>Total Access</b>                 | \$2,711,710,733 | \$33,565,491                | \$130,328,987                   | \$364,935,460 | \$1,051,968,146 | \$22,722,946,601 |
| <b>PC Reduction</b>                 | \$0             | \$0                         | \$0                             | \$0           | \$0             | \$0              |
| <b>Universal Service Obligation</b> |                 |                             |                                 |               |                 |                  |
| <b>Net USF Funding</b>              | \$144,274,251   | \$2,077,829                 | \$4,747,885                     | \$20,806,123  | \$57,355,205    | \$1,226,452,500  |
| <b>Access Flowback</b>              | \$128,679,528   | \$1,882,866                 | \$4,237,978                     | \$17,866,513  | \$50,026,153    | \$1,030,161,885  |
| <b>Rates</b>                        |                 |                             |                                 |               |                 |                  |
| <b>EUCL</b>                         |                 |                             |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50                      | \$3.50                          | \$3.50        | \$3.50          | \$3.50           |
| <b>2nd Line/Home</b>                | \$5.00          | \$5.00                      | \$5.00                          | \$5.00        | \$5.00          | \$5.00           |
| <b>MLB</b>                          | \$8.24          | \$5.47                      | \$6.05                          | \$7.28        | \$7.14          | \$6.64           |
| <b>BFP</b>                          | \$8.24          | \$5.47                      | \$6.05                          | \$7.28        | \$7.14          | \$6.77           |
| <b>PSL</b>                          |                 |                             |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$0.75          | \$0.75                      | \$0.75                          | \$0.75        | \$0.75          | \$0.75           |
| <b>2nd Line/home</b>                | \$1.50          | \$1.50                      | \$1.50                          | \$1.50        | \$1.50          | \$1.50           |
| <b>MLB</b>                          | \$4.50          | \$4.50                      | \$4.50                          | \$4.50        | \$4.50          | \$4.43           |
| <b>Orig MOU</b>                     | \$0.0353        | \$0.0231                    | \$0.0315                        | \$0.0262      | \$0.0296        | \$0.0255         |
| <b>Term MOU</b>                     | \$0.0202        | \$0.0154                    | \$0.0165                        | \$0.0168      | \$0.0178        | \$0.0112         |
| <b>Average MOU Rate</b>             | \$0.0270        | \$0.0188                    | \$0.0233                        | \$0.0210      | \$0.0231        | \$0.0176         |

July 1998  
Historical Demand

| <u>7/1/98</u>                       | <b>Summary</b>   | Scenario Modeled | Prod. Factor =  | 5.3%            |                 |                 |                 |                 |
|-------------------------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                     | <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>Revenues</b>                     |                  |                  |                 |                 |                 |                 |                 |                 |
| <b>Usage</b>                        | \$529,463,534    | \$596,097,341    | \$1,319,399,529 | \$982,850,161   | \$459,720,240   | \$359,587,167   | \$741,197,832   | \$102,004,309   |
| <b>PSL</b>                          | \$358,503,229    | \$508,287,165    | \$395,028,587   | \$471,925,402   | \$327,795,385   | \$226,052,972   | \$332,135,637   | \$14,371,096    |
| <b>EUCL</b>                         | \$975,546,576    | \$1,101,371,096  | \$985,799,915   | \$1,249,750,911 | \$776,806,457   | \$815,408,220   | \$845,647,605   | \$42,914,020    |
| <b>Sub Total</b>                    | \$1,863,513,339  | \$2,205,755,603  | \$2,700,228,031 | \$2,704,526,474 | \$1,564,322,082 | \$1,401,048,359 | \$1,918,981,074 | \$159,289,425   |
| <b>Other Interstate Access</b>      | \$578,546,072    | \$721,316,876    | \$534,312,765   | \$650,354,800   | \$566,807,160   | \$357,556,232   | \$478,093,222   | \$17,475,582    |
| <b>Total Access</b>                 | \$2,442,059,411  | \$2,927,072,479  | \$3,234,540,796 | \$3,354,881,274 | \$2,131,129,242 | \$1,758,604,591 | \$2,397,074,296 | \$176,765,008   |
| <b>PC Reduction</b>                 | \$65,188,444     | \$78,135,405     | \$86,342,978    | \$89,555,352    | \$56,888,460    | \$46,944,270    | \$63,987,610    | \$4,718,573     |
| <b>TIC Reduction Complete</b>       | TIC Eliminated   |                  |                 |                 |                 | TIC Eliminated  |                 |                 |
| <b>Universal Service Obligation</b> |                  |                  |                 |                 |                 |                 |                 |                 |
| <b>Net USF Funding</b>              | \$147,809,462    | \$152,965,453    | \$160,143,214   | \$181,091,748   | \$108,215,323   | \$113,367,007   | \$116,775,606   | \$9,054,419     |
| <b>Access Flowback</b>              | \$118,920,685    | \$119,300,103    | \$135,922,959   | \$154,659,038   | \$86,084,425    | \$99,940,644    | \$96,222,559    | \$8,126,136     |
| <b>Rates</b>                        |                  |                  |                 |                 |                 |                 |                 |                 |
| <b>EUCL</b>                         |                  |                  |                 |                 |                 |                 |                 |                 |
| <b>SL Res/Bus</b>                   | \$3.50           | \$3.50           | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          |
| <b>2nd Line/Home</b>                | \$5.00           | \$5.00           | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00          | \$5.00          |
| <b>MLB</b>                          | \$5.39           | \$5.97           | \$7.28          | \$7.89          | \$6.52          | \$5.21          | \$7.23          | \$7.22          |
| <b>BFP</b>                          | \$5.39           | \$5.97           | \$7.28          | \$7.89          | \$6.52          | \$5.21          | \$7.23          | \$7.22          |
| <b>PSL</b>                          |                  |                  |                 |                 |                 |                 |                 |                 |
| <b>SL Res/Bus</b>                   | \$0.75           | \$0.75           | \$0.75          | \$0.75          | \$0.75          | \$0.75          | \$0.75          | \$0.75          |
| <b>2nd Line/home</b>                | \$1.50           | \$1.50           | \$1.50          | \$1.50          | \$1.50          | \$1.50          | \$1.50          | \$1.50          |
| <b>MLB</b>                          | \$4.50           | \$4.50           | \$4.50          | \$4.50          | \$4.50          | \$3.25          | \$4.50          | \$4.50          |
| <b>Orig MOU</b>                     | \$0.0114         | \$0.0124         | \$0.0334        | \$0.0247        | \$0.0183        | \$0.0099        | \$0.0206        | \$0.0528        |
| <b>Term MOU</b>                     | \$0.0103         | \$0.0083         | \$0.0175        | \$0.0090        | \$0.0094        | \$0.0099        | \$0.0106        | \$0.0395        |
| <b>Average MOU Rate</b>             | \$0.0108         | \$0.0101         | \$0.0247        | \$0.0161        | \$0.0134        | \$0.0099        | \$0.0151        | \$0.0455        |

July 1998  
Historical Demand

| <u>7/1/98</u>                       |                 |                              |                                 |               |                 |                  |
|-------------------------------------|-----------------|------------------------------|---------------------------------|---------------|-----------------|------------------|
|                                     | <u>GTE</u>      | <u>Alliant<br/>(Lincoln)</u> | <u>Frontier<br/>(Rochester)</u> | <u>SNET</u>   | <u>Sprint</u>   | <u>Total</u>     |
| <b>Revenues</b>                     |                 |                              |                                 |               |                 |                  |
| <b>Usage</b>                        | \$1,079,891,367 | \$10,770,879                 | \$49,646,152                    | \$147,040,105 | \$402,083,766   | \$6,705,117,391  |
| <b>PSL</b>                          | \$341,286,821   | \$5,162,343                  | \$17,367,028                    | \$43,898,206  | \$128,731,389   | \$3,170,545,260  |
| <b>EUCL</b>                         | \$971,083,041   | \$13,024,430                 | \$45,383,549                    | \$113,938,172 | \$361,105,878   | \$8,297,779,871  |
| <b>Sub Total</b>                    | \$2,392,261,229 | \$28,957,652                 | \$112,396,728                   | \$304,876,483 | \$891,921,033   | \$18,173,442,522 |
| <b>Other Interstate Access</b>      | \$319,137,939   | \$4,546,626                  | \$17,872,863                    | \$60,072,634  | \$159,924,692   | \$4,466,017,465  |
| <b>Total Access</b>                 | \$2,711,399,168 | \$33,504,278                 | \$130,269,592                   | \$364,949,117 | \$1,051,845,725 | \$22,639,459,986 |
| <b>PC Reduction</b>                 | \$72,378,212    | \$894,365                    | \$3,477,422                     | \$9,741,968   | \$28,078,017    | \$606,331,077    |
| <b>TIC Reduction Complete</b>       | TIC Eliminated  |                              | TIC Eliminated                  |               | TIC Eliminated  |                  |
| <b>Universal Service Obligation</b> |                 |                              |                                 |               |                 |                  |
| <b>Net USF Funding</b>              | \$143,095,892   | \$2,060,501                  | \$4,711,326                     | \$20,633,204  | \$56,883,345    | \$1,216,806,500  |
| <b>Access Flowback</b>              | \$127,437,767   | \$1,864,717                  | \$4,198,791                     | \$17,683,788  | \$49,525,138    | \$1,019,886,750  |
| <b>Rates</b>                        |                 |                              |                                 |               |                 |                  |
| <b>EUCL</b>                         |                 |                              |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50                       | \$3.50                          | \$3.50        | \$3.50          | \$3.50           |
| <b>2nd Line/Home</b>                | \$5.00          | \$5.00                       | \$5.00                          | \$5.00        | \$5.00          | \$5.00           |
| <b>MLB</b>                          | \$8.21          | \$5.45                       | \$6.02                          | \$7.25        | \$7.11          | \$6.62           |
| <b>BFP</b>                          | \$8.21          | \$5.45                       | \$6.02                          | \$7.25        | \$7.11          | \$6.74           |
| <b>PSL</b>                          |                 |                              |                                 |               |                 |                  |
| <b>SL Res/Bus</b>                   | \$0.75          | \$0.75                       | \$0.75                          | \$0.75        | \$0.75          | \$0.75           |
| <b>2nd Line/home</b>                | \$1.50          | \$1.50                       | \$1.50                          | \$1.50        | \$1.50          | \$1.50           |
| <b>MLB</b>                          | \$4.50          | \$4.50                       | \$4.50                          | \$4.50        | \$4.50          | \$4.34           |
| <b>Orig MOU</b>                     | \$0.0353        | \$0.0199                     | \$0.0287                        | \$0.0262      | \$0.0296        | \$0.0230         |
| <b>Term MOU</b>                     | \$0.0171        | \$0.0153                     | \$0.0160                        | \$0.0144      | \$0.0151        | \$0.0105         |
| <b>Average MOU Rate</b>             | \$0.0253        | \$0.0174                     | \$0.0217                        | \$0.0197      | \$0.0216        | \$0.0163         |

July 1999  
Historical Demand

| <u>7/1/99</u>                       | Summary                | Scenario Modeled       | Prod. Factor =         | 5.3%                   |                        |                        |                        |                      |          |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|----------|
|                                     | Ameritech              | BA                     | NYNEX                  | BS                     | SBC                    | PAC                    | USW                    | Citizens             |          |
| <b>Revenues</b>                     |                        |                        |                        |                        |                        |                        |                        |                      |          |
| Usage                               | \$557,629,988          | \$618,976,406          | \$1,101,121,200        | \$697,280,276          | \$401,961,529          | \$379,396,810          | \$619,540,001          | \$46,722,626         |          |
| PSL                                 | \$302,538,194          | \$442,849,301          | \$602,844,384          | \$722,620,499          | \$353,231,739          | \$187,302,147          | \$428,141,587          | \$21,036,971         |          |
| <b>EUCL</b>                         | <b>\$1,014,575,387</b> | <b>\$1,159,717,557</b> | <b>\$1,041,941,570</b> | <b>\$1,317,133,833</b> | <b>\$818,854,320</b>   | <b>\$843,957,273</b>   | <b>\$891,306,444</b>   | <b>\$45,364,902</b>  |          |
| Sub Total                           | \$1,874,743,569        | \$2,221,543,264        | \$2,745,907,155        | \$2,737,034,608        | \$1,574,047,587        | \$1,410,656,230        | \$1,938,988,032        | \$113,124,498        |          |
| <b>Other Interstate Access</b>      | <b>\$619,044,297</b>   | <b>\$771,809,058</b>   | <b>\$571,714,659</b>   | <b>\$695,879,636</b>   | <b>\$606,483,661</b>   | <b>\$382,585,168</b>   | <b>\$511,559,747</b>   | <b>\$18,698,873</b>  |          |
| <b>Total Access</b>                 | <b>\$2,493,787,866</b> | <b>\$2,993,352,321</b> | <b>\$3,317,621,813</b> | <b>\$3,432,914,244</b> | <b>\$2,180,531,248</b> | <b>\$1,793,241,398</b> | <b>\$2,450,547,779</b> | <b>\$131,823,371</b> |          |
| PC Reduction                        | \$66,569,286           | \$79,904,682           | \$88,560,747           | \$91,638,368           | \$58,207,200           | \$47,868,867           | \$65,415,033           | \$4,844,156          |          |
| TIC Reduction Complete              | TIC Eliminated         | TIC Eliminated         |                        | TIC Eliminated         | TIC Eliminated         | TIC Eliminated         | TIC Eliminated         | TIC Eliminated       |          |
| <b>Universal Service Obligation</b> |                        |                        |                        |                        |                        |                        |                        |                      |          |
| Net USF Funding                     | \$203,951,640          | \$205,815,218          | \$154,471,332          | \$29,754,086           | \$76,022,378           | \$217,276,220          | \$47,785,716           | (\$49,646,173)       |          |
| Access Flowback                     | \$163,119,374          | \$159,886,023          | \$130,829,160          | \$25,348,035           | \$60,268,534           | \$190,738,883          | \$39,258,488           | (\$44,495,713)       |          |
| <b>Rates</b>                        |                        |                        |                        |                        |                        |                        |                        |                      |          |
| <b>EUCL</b>                         |                        |                        |                        |                        |                        |                        |                        |                      |          |
| SL Res/Bus                          | \$3.50                 | \$3.50                 | \$3.50                 | \$3.50                 | \$3.50                 | \$3.50                 | \$3.50                 | \$3.50               | \$3.50   |
| 2nd Line/Home                       | \$5.37                 | \$5.94                 | \$6.14                 | \$6.14                 | \$6.14                 | \$5.19                 | \$6.14                 | \$6.14               | \$6.14   |
| MLB                                 | \$5.37                 | \$5.94                 | \$7.25                 | \$7.86                 | \$6.50                 | \$5.19                 | \$7.21                 | \$7.19               | \$7.19   |
| BFP                                 | \$5.37                 | \$5.94                 | \$7.25                 | \$7.86                 | \$6.50                 | \$5.19                 | \$7.21                 | \$7.19               | \$7.19   |
| <b>PSL</b>                          |                        |                        |                        |                        |                        |                        |                        |                      |          |
| SL Res/Bus                          | \$1.27                 | \$1.27                 | \$1.27                 | \$1.27                 | \$1.27                 | \$1.27                 | \$1.27                 | \$1.27               | \$1.27   |
| 2nd Line/home                       | \$2.54                 | \$2.54                 | \$2.54                 | \$2.54                 | \$2.54                 | \$2.54                 | \$2.54                 | \$2.54               | \$2.54   |
| MLB                                 | \$3.12                 | \$4.18                 | \$6.12                 | \$6.12                 | \$4.49                 | \$2.77                 | \$5.32                 | \$5.14               | \$5.14   |
| Orig MOU                            | \$0.0102               | \$0.0082               | \$0.0258               | \$0.0104               | \$0.0092               | \$0.0098               | \$0.0104               | \$0.0180             | \$0.0180 |
| Term MOU                            | \$0.0102               | \$0.0082               | \$0.0144               | \$0.0088               | \$0.0092               | \$0.0098               | \$0.0104               | \$0.0180             | \$0.0180 |
| Average MOU Rate                    | \$0.0102               | \$0.0082               | \$0.0195               | \$0.0095               | \$0.0092               | \$0.0098               | \$0.0104               | \$0.0180             | \$0.0180 |

July 1999  
Historical Demand

| <u>7/1/99</u>                       |                 |                             |                                 |                |                 |                  |
|-------------------------------------|-----------------|-----------------------------|---------------------------------|----------------|-----------------|------------------|
|                                     | <b>GTE</b>      | <b>Aliant<br/>(Lincoln)</b> | <b>Frontier<br/>(Rochester)</b> | <b>SNET</b>    | <b>Sprint</b>   | <b>Total</b>     |
| <b>Revenues</b>                     |                 |                             |                                 |                |                 |                  |
| <b>Usage</b>                        | \$657,067,275   | \$11,362,953                | \$42,061,437                    | \$122,311,365  | \$247,107,204   | \$5,370,385,346  |
| <b>PSL</b>                          | \$528,484,974   | \$0                         | \$11,667,359                    | \$67,398,748   | \$153,492,040   | \$3,821,607,942  |
| <b>EUCL</b>                         | \$1,023,368,910 | \$13,555,608                | \$47,762,162                    | \$120,045,263  | \$381,241,749   | \$8,718,824,978  |
| <b>Sub Total</b>                    | \$2,208,921,159 | \$24,918,561                | \$101,490,957                   | \$309,755,376  | \$781,840,994   | \$17,910,818,267 |
| <b>Other Interstate Access</b>      | \$341,477,595   | \$4,864,890                 | \$19,123,964                    | \$64,277,718   | \$171,119,420   | \$4,466,017,465  |
| <b>Total Access</b>                 | \$2,550,398,755 | \$29,783,451                | \$120,614,921                   | \$374,033,094  | \$952,960,415   | \$22,376,835,731 |
| <b>PC Reduction</b>                 | \$74,119,535    | \$911,732                   | \$3,556,555                     | \$9,984,456    | \$28,734,272    | \$620,314,888    |
| <b>TIC Reduction Complete</b>       | TIC Eliminated  |                             | TIC Eliminated                  | TIC Eliminated | TIC Eliminated  | TIC Eliminated   |
| <b>Universal Service Obligation</b> |                 |                             |                                 |                |                 |                  |
| <b>Net USF Funding</b>              | (\$226,233,069) | (\$6,335,618)               | (\$12,619,107)                  | \$14,198,448   | (\$123,469,605) | \$530,971,464    |
| <b>Access Flowback</b>              | (\$201,105,697) | (\$5,717,634)               | (\$11,224,408)                  | \$12,139,000   | (\$107,292,950) | \$442,306,744    |
| <b>Rates</b>                        |                 |                             |                                 |                |                 |                  |
| <b>EUCL</b>                         |                 |                             |                                 |                |                 |                  |
| <b>SL Res/Bus</b>                   | \$3.50          | \$3.50                      | \$3.50                          | \$3.50         | \$3.50          | \$3.50           |
| <b>2nd Line/Home</b>                | \$6.14          | \$5.43                      | \$6.00                          | \$6.14         | \$6.14          | \$5.94           |
| <b>MLB</b>                          | \$8.18          | \$5.43                      | \$6.00                          | \$7.22         | \$7.08          | \$6.59           |
| <b>BFP</b>                          | \$8.18          | \$5.43                      | \$6.00                          | \$7.22         | \$7.08          | \$6.72           |
| <b>PSL</b>                          |                 |                             |                                 |                |                 |                  |
| <b>SL Res/Bus</b>                   | \$1.27          | \$0.00                      | \$1.27                          | \$1.27         | \$1.27          | \$1.27           |
| <b>2nd Line/home</b>                | \$2.54          | \$0.00                      | \$1.64                          | \$2.54         | \$2.54          | \$2.53           |
| <b>MLB</b>                          | \$6.12          | \$0.00                      | \$0.00                          | \$6.12         | \$3.32          | \$4.61           |
| <b>Orig MOU</b>                     | \$0.0133        | \$0.0150                    | \$0.0159                        | \$0.0177       | \$0.0111        | \$0.0121         |
| <b>Term MOU</b>                     | \$0.0125        | \$0.0150                    | \$0.0159                        | \$0.0129       | \$0.0111        | \$0.0103         |
| <b>Average MOU Rate</b>             | \$0.0129        | \$0.0150                    | \$0.0159                        | \$0.0150       | \$0.0111        | \$0.0111         |

July 2000  
Historical Demand

| <b>7/1/00</b>                       | <b>Summary</b>   | <b>Scenario Modeled</b> | <b>Prod. Factor =</b> | <b>5.3%</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>Revenues</b>                     |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>Usage</b>                        | \$587,501,215    | \$652,292,535           | \$957,704,152         | \$704,200,910   | \$423,547,873   | \$400,432,285   | \$651,553,819   | \$49,276,601    |
| <b>PSL</b>                          | \$243,588,804    | \$364,595,230           | \$706,491,908         | \$643,603,365   | \$290,085,280   | \$146,559,972   | \$347,853,687   | \$0             |
| <b>EUCL</b>                         | \$1,050,482,859  | \$1,202,973,998         | \$1,104,301,263       | \$1,393,708,094 | \$853,946,234   | \$872,757,378   | \$941,237,569   | \$48,055,527    |
| <b>Sub Total</b>                    | \$1,881,572,878  | \$2,219,861,763         | \$2,768,497,322       | \$2,741,512,369 | \$1,567,579,387 | \$1,419,749,635 | \$1,940,645,076 | \$97,332,128    |
| <b>Other Interstate Access</b>      | \$662,377,398    | \$825,835,692           | \$611,734,685         | \$744,591,210   | \$648,937,518   | \$409,366,130   | \$547,368,930   | \$20,007,794    |
| <b>Total Access</b>                 | \$2,543,950,276  | \$3,045,697,455         | \$3,380,232,007       | \$3,486,103,580 | \$2,216,516,905 | \$1,829,115,765 | \$2,488,014,005 | \$117,339,922   |
| <b>PC Reduction</b>                 | \$67,908,324     | \$81,301,985            | \$90,232,066          | \$93,058,206    | \$59,167,802    | \$48,826,499    | \$66,415,158    | \$3,559,972     |
| <b>TIC Reduction Complete</b>       | TIC Eliminated   | TIC Eliminated          |                       | TIC Eliminated  |
| <b>Universal Service Obligation</b> |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>Net USF Funding</b>              | \$207,940,820    | \$210,107,442           | \$158,068,646         | \$33,781,506    | \$78,703,647    | \$220,687,864   | \$50,651,931    | (\$49,518,453)  |
| <b>Access Flowback</b>              | \$165,204,358    | \$162,080,164           | \$133,679,945         | \$28,731,366    | \$62,059,423    | \$192,916,446   | \$41,515,162    | (\$44,334,831)  |
| <b>Rates</b>                        |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>EUCL</b>                         |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>SL Res/Bus</b>                   | \$3.50           | \$3.50                  | \$3.50                | \$3.50          | \$3.50          | \$3.50          | \$3.50          | \$3.50          |
| <b>2nd Line/Home</b>                | \$5.35           | \$5.92                  | \$7.22                | \$7.30          | \$6.47          | \$5.17          | \$7.18          | \$7.16          |
| <b>MLB</b>                          | \$5.35           | \$5.92                  | \$7.22                | \$7.83          | \$6.47          | \$5.17          | \$7.18          | \$7.16          |
| <b>BFP</b>                          | \$5.35           | \$5.92                  | \$7.22                | \$7.83          | \$6.47          | \$5.17          | \$7.18          | \$7.16          |
| <b>PSL</b>                          |                  |                         |                       |                 |                 |                 |                 |                 |
| <b>SL Res/Bus</b>                   | \$1.80           | \$1.80                  | \$1.80                | \$1.80          | \$1.80          | \$1.67          | \$1.80          | \$0.00          |
| <b>2nd Line/home</b>                | \$3.61           | \$3.61                  | \$3.61                | \$3.61          | \$3.61          | \$3.61          | \$3.61          | \$0.00          |
| <b>MLB</b>                          | \$0.83           | \$1.87                  | \$7.79                | \$3.48          | \$1.66          | \$1.05          | \$1.95          | \$0.00          |
| <b>Orig MOU</b>                     | \$0.0100         | \$0.0081                | \$0.0144              | \$0.0087        | \$0.0091        | \$0.0096        | \$0.0103        | \$0.0178        |
| <b>Term MOU</b>                     | \$0.0100         | \$0.0081                | \$0.0142              | \$0.0087        | \$0.0091        | \$0.0096        | \$0.0103        | \$0.0178        |
| <b>Average MOU Rate</b>             | \$0.0100         | \$0.0081                | \$0.0143              | \$0.0087        | \$0.0091        | \$0.0096        | \$0.0103        | \$0.0178        |

July 2000  
Historical Demand

| <b>7/1/00</b>                       |                        |                             |                                 |                      |                      |                        |
|-------------------------------------|------------------------|-----------------------------|---------------------------------|----------------------|----------------------|------------------------|
|                                     | <b>GTE</b>             | <b>Aliant<br/>(Lincoln)</b> | <b>Frontier<br/>(Rochester)</b> | <b>SNET</b>          | <b>Sprint</b>        | <b>Total</b>           |
| <b>Revenues</b>                     |                        |                             |                                 |                      |                      |                        |
| <b>Usage</b>                        | \$678,690,859          | \$11,991,615                | \$44,636,376                    | \$121,935,916        | \$261,129,747        | \$5,353,495,887        |
| <b>PSL</b>                          | \$235,506,740          | \$0                         | \$0                             | \$63,358,014         | \$0                  | \$3,041,642,999        |
| <b>EUCL</b>                         | <u>\$1,083,063,048</u> | <u>\$14,021,461</u>         | <u>\$49,369,953</u>             | <u>\$126,758,895</u> | <u>\$402,376,451</u> | <u>\$9,143,052,731</u> |
| <b>Sub Total</b>                    | \$1,997,260,647        | \$26,013,077                | \$94,006,329                    | \$312,052,825        | \$663,506,197        | \$17,538,191,618       |
| <b>Other Interstate Access</b>      | <u>\$365,381,027</u>   | <u>\$5,205,433</u>          | <u>\$20,462,641</u>             | <u>\$68,777,159</u>  | <u>\$183,097,780</u> | <u>\$4,466,017,465</u> |
| <b>Total Access</b>                 | \$2,362,641,674        | \$31,218,509                | \$114,468,970                   | \$380,829,984        | \$846,603,977        | \$22,004,209,082       |
| <b>PC Reduction</b>                 | \$69,024,727           | \$810,004                   | \$3,264,975                     | \$10,165,893         | \$25,746,467         | \$619,482,080          |
| <b>TIC Reduction Complete</b>       | TIC Eliminated         |                             | TIC Eliminated                  | TIC Eliminated       | TIC Eliminated       | TIC Eliminated         |
| <b>Universal Service Obligation</b> |                        |                             |                                 |                      |                      |                        |
| <b>Net USF Funding</b>              | (\$223,130,794)        | (\$6,281,958)               | (\$12,442,262)                  | \$14,561,220         | (\$122,210,807)      | \$560,918,800          |
| <b>Access Flowback</b>              | (\$198,105,382)        | (\$5,650,221)               | (\$11,024,276)                  | \$12,425,131         | (\$106,007,431)      | \$433,489,855          |
| <b>Rates</b>                        |                        |                             |                                 |                      |                      |                        |
| <b>EUCL</b>                         |                        |                             |                                 |                      |                      |                        |
| <b>SL Res/Bus</b>                   | \$3.50                 | \$3.50                      | \$3.50                          | \$3.50               | \$3.50               | \$3.50                 |
| <b>2nd Line/Home</b>                | \$7.30                 | \$5.41                      | \$5.97                          | \$7.19               | \$7.06               | \$6.58                 |
| <b>MLB</b>                          | \$8.14                 | \$5.41                      | \$5.97                          | \$7.19               | \$7.06               | \$6.56                 |
| <b>BFP</b>                          | \$8.14                 | \$5.41                      | \$5.97                          | \$7.19               | \$7.06               | \$6.69                 |
| <b>PSL</b>                          |                        |                             |                                 |                      |                      |                        |
| <b>SL Res/Bus</b>                   | \$1.56                 | \$0.00                      | \$0.00                          | \$1.80               | \$0.00               | \$1.66                 |
| <b>2nd Line/home</b>                | \$0.00                 | \$0.00                      | \$0.00                          | \$3.61               | \$0.00               | \$2.94                 |
| <b>MLB</b>                          | \$0.00                 | \$0.00                      | \$0.00                          | \$5.24               | \$0.00               | \$2.30                 |
| <b>Orig MOU</b>                     | \$0.0124               | \$0.0148                    | \$0.0157                        | \$0.0127             | \$0.0109             | \$0.0100               |
| <b>Term MOU</b>                     | \$0.0124               | \$0.0148                    | \$0.0157                        | \$0.0127             | \$0.0109             | \$0.0100               |
| <b>Average MOU Rate</b>             | \$0.0124               | \$0.0148                    | \$0.0157                        | \$0.0127             | \$0.0109             | \$0.0100               |