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EXHIBIT 4

GTE recalculated its maximum common line revenues on a total GTE composite basis, using the CCL Recalculation Methodology employed by AT&T in its December 23 Petition.

GTE re-computed the 1991 - 1997 EUCL rates by using the actual per line BFP revenue requirement determined by the Commission in its Direct Case Order. GTE calculated the percentage change between actual and forecast for 1991 through 1997 (see Exhibit 4, CCL-Refund, Page 5). The percentage change between actual and forecast was applied to the EUCL rate of each COSA that was below cap.

Beginning with the 1991 Annual Filing, the CCL formula was recalculated with the test multi-line business EUCL determined above. The resultant change to total Common Line basket revenues and CCL rates were carried forward, as the process was continued with each successive Annual Access Filing through 1997. For the 1997 Annual Filing, GTE used the Commission prescribed multi-line business EUCL rate of \$7.26.

Rate changes between Annual Access Filings were determined by comparing the calculated Premium Terminating Rate Cap established in a given Annual Filing to the Terminating CCL Premium Capped Rates at last PCI Update in the subsequent Annual Filing. This difference, or factor, was then applied to the AT&T calculated CCL rate cap to determine the AT&T Calculated CCL Rate Cap with true-up. (see Exhibit 4, CCL-Refund, page 4).

Exhibit 4, CCL-Refund, Page 2, provides a summary of GTE's Maximum CCL Revenues, AT&T's Recomputed CCL Revenues and GTE's Actual Revenue. This exhibit clearly demonstrates that for each tariff period, GTE's rates were below the AT&T Recomputed Rates.

IMPACT OF OVERSTATEMENT OF CCL RATE 1991-1997

	Chargeable CCL Term Demand Minutes (A)	GTE Premium Max CCL Rate * Annual Filing (B)	GTE Maximum CCL Revenues (C)	AT&T Recomputed Premium CCL Rate ** (D)	AT&T Recomputed CCL Revenues (E) = (A*D)	AT&T Excess CCL Billing (F) = (C-E)	GTE Actual CCL Rate (G)	GTE Actual CCL Revenues (H) = (A*G)	GTE Actual Revenue under AT&T Recomputed CCL Cap Rev (I) = (E-H)
1991/1992	15,316,684,850	\$0.0227253	\$348,075,964	\$0.0227110	\$347,856,707	\$219,256	\$0.0223221	\$341,901,220	\$5,955,488
1992/1993	16,643,361,646	\$0.0244905	\$407,603,535	\$0.0242376	\$403,394,534	\$4,209,000	\$0.0219092	\$364,642,829	\$38,751,705
1993/1994	18,530,949,563	\$0.0374551	\$694,078,496	\$0.0373999	\$693,055,432	\$1,023,064	\$0.0255523	\$473,507,950	\$219,547,482
1994/1995	20,197,660,750	\$0.0375773	\$758,972,960	\$0.0375647	\$758,719,058	\$253,903	\$0.0207012	\$418,115,613	\$340,603,444
1995/1996	22,328,905,219	\$0.0278558	\$621,990,414	\$0.0278495	\$621,849,587	\$140,827	\$0.0220828	\$493,085,828	\$128,763,759
1996/1996	24,586,192,773	\$0.0283558	\$697,161,266	\$0.0283703	\$697,517,312	(\$356,046)	\$0.0219303	\$539,181,457	\$158,335,855
1997/1998	27,338,788,491	\$0.0206995	\$565,899,566	\$0.0207294	\$566,717,061	(\$817,495)	\$0.0203160	\$555,414,827	\$11,302,234

* See Exhibit CCL-REFUND, page 3a-3g, line 160, Column A

** See Exhibit CCL-Refund, page 3a-3g, line 160, Column B

***The 1997/1998 rate reflects change to the prescribed \$7.26 MLB EUCL rate.

CALCULATION OF GTE'S PROPOSED EUCL
REVENUES BASED ON THE ACTUAL
PER LINE BFP REVENUE REQUIREMENT

RATE ELEMENT	DEMAND	RECALCULATED PROPOSED RATE	PROPOSED REVENUE
1991 Multiline Bus	29,343,444	\$5.85	\$171,540,350
Res & SLB	140,727,672	\$3.50	\$492,546,852
Lifeline	4,040,460	\$3.50	\$14,141,610
SpAc Surcharge	111,000	\$25.00	\$2,775,000
Total (for Exhibit CCL-REFUND, Page 3a, Col B, Line 340)			\$681,003,812
1992 Multiline Bus	31,926,888	\$5.79	\$184,974,412
Res & SLB	142,936,620	\$3.50	\$500,278,170
Lifeline	4,616,580	\$3.50	\$16,158,030
SpAc Surcharge	59,544	\$25.00	\$1,488,600
Total (for Exhibit CCL-REFUND, Page 3b, Col B, Line 340)			\$702,899,212
1993 Multiline Bus	33,944,592	\$6.00	\$203,564,611
Res & SLB	146,237,052	\$3.50	\$511,829,682
Lifeline	4,668,432	\$3.50	\$16,339,512
SpAc Surcharge	50,220	\$25.00	\$1,255,500
Total (for Exhibit CCL-REFUND, Page 3c, Col B, Line 340)			\$732,989,305
1994 Multiline Bus	35,547,420	\$6.00	\$213,142,609
Res & SLB	141,207,768	\$3.50	\$494,227,188
Lifeline	5,475,444	\$3.50	\$19,164,054
SpAc Surcharge	37,752	\$25.00	\$943,800
Total (for Exhibit CCL-REFUND, Page 3d, Col B, Line 340)			\$727,477,651
1995 Multiline Bus	38,307,084	\$5.99	\$229,279,151
Res & SLB	143,298,048	\$3.50	\$501,543,168
Lifeline	5,789,028	\$3.50	\$20,261,598
SpAc Surcharge	14,172	\$25.00	\$354,300
Total (for Exhibit CCL-REFUND, Page 3e, Col B, Line 340)			\$751,438,217
1996 Multiline Bus	41,183,652	\$5.98	246,164,187
Res & SLB	146,626,104	\$3.50	513,187,586
Lifeline	6,477,420	\$3.50	22,670,835
SpAc Surcharge	3,924	\$25.00	98,100
Total (for Exhibit CCL-REFUND, Page 3f, Col B, Line 340)			782,120,709
1997 Multiline Bus	43,216,752	\$7.12	\$307,651,130
Res & SLB	151,023,024	\$3.50	\$528,580,584
Lifeline	7,114,452	\$3.50	\$24,900,582
SpAc Surcharge	4,272	\$25.00	\$106,800
Total (for Exhibit CCL-REFUND, Page 3g, Col B, Line 340)			\$861,239,096

	GTE 1991 Annual Filing Trans No. 88 & 666	1991 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	14,827,917,622	14,827,917,622
110 Term CCL Non-Prem MOU	1,086,149,395	1,086,149,395
120 Chargeable Term CCL Prem MOU	15,316,684,850	15,316,684,850
130 Originating CCL Prem MOU	12,801,990,487	12,801,990,487
140 Originating CCL NonPrem MOU	353,549,059	353,549,059
150 Chargeable Originating CCL Prem MOU	12,961,087,564	12,961,087,564
160 Term CCL Prem Capped Rates at last PCI	\$0.0229887	\$0.0229887
170 Orig CCL Prem Capped Rates at last PCI	\$0.0100000	\$0.0100000
180 Multiline Business EUCL lines	29,343,444	29,343,444
190 Res & Single Business EUCL lines	140,727,711	140,727,711
200 Lifeline Lines	4,040,460	4,040,460
210 Special Access Surcharge Lines	111,000	111,000
220 Multiline Bus EUCL Rates at last PCI update	\$5.72	\$5.72
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Lineline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	\$0	\$0
260 CL Revenue at Capped t-1 Rates	\$1,158,975,226	\$1,158,975,226
Step 2:		
270 CCL Revenue at Capped t-1 Rates	\$1,158,975,226	\$1,158,975,226
280 CCL MOU for base year	29,069,606,563	29,069,606,563
290 CL Rev/MOU t-1	0.0398690	0.0398690
Step 3:		
300 CL PCI(t)	95.64%	95.64%
310 CL PCI(t-1)	98.26%	98.26%
320 1 + % Change CL PCI	0.9733847	0.9733847
330 CL Rev/MOU(t)	\$0.0388078	\$0.0388078
Step 4:		
340 Base Demand * Proposed SLCs	\$680,774,330	\$681,003,811
350 CCL MOU for Base Year	29,069,606,563	29,069,606,563
360 1 + g/2	1.0466335	1.0466335
370 SLC REV/MOU(t)	\$0.0223753	\$0.0223829
380 CCL Rev/MOU(t)	\$0.0164325	\$0.0164250
Step 5:		
390 CCL MOU for Base Year	29,069,606,563	29,069,606,563
400 CCL Rev at CCL Rev/MOU(t)	\$477,686,840	\$477,467,583
410 Chargeable Origin MOU	12,961,087,564	12,961,087,564
420 Originating CCL Rev (rate = .01)	\$129,610,876	\$129,610,876
430 Residual CCL Rev	\$348,075,964	\$347,856,707
440 Chargeable Terminating MOU	15,316,684,850	15,316,684,850
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	\$0.0227253	\$0.0227110
460 Total Chargeable MOU	28,277,772,413	28,277,772,413
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0168927	\$0.0168849
480 Premium Terminating Rate Cap	\$0.0227253	\$0.0227110

	GTE 1992 Annual Filing Trans No. 17 & 711	1992 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	16,192,420,604	16,192,420,604
110 Term CCL Non-Prem MOU	1,002,091,205	1,002,091,205
120 Chargeable Term CCL Prem MOU	16,643,361,646	16,643,361,646
130 Originating CCL Prem MOU	13,821,344,218	13,821,344,218
140 Originating CCL NonPrem MOU	371,367,029	371,367,029
150 Chargeable Originating CCL Prem MOU	13,988,459,381	13,988,459,381
160 Term CCL Prem Capped Rates at last PCI	\$0.0226642	\$0.0226499
170 Orig CCL Prem Capped Rates at last PCI	\$0.0100000	\$0.0100000
180 Multiline Business EUCL lines	31,926,888	31,926,888
190 Res & Single Business EUCL lines	142,936,620	142,936,620
200 Lifeline Lines	4,616,580	4,616,580
210 Special Access Surcharge Lines	59,544	59,544
220 Multiline Bus EUCL Rates at last PCI update	\$5.84	\$5.85
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Lineline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	\$0	\$0
260 CL Revenue at Capped t-1 Rates	\$1,221,444,774	\$1,221,422,909
Step 2:		
270 CCL Revenue at Capped t-1 Rates	\$1,221,444,774	\$1,221,422,909
280 CCL MOU for base year	31,387,223,056	31,387,223,056
290 CL Rev/MOU t-1	0.0389154	0.0389147
Step 3:		
300 CL PCI(t)	96.21%	96.21%
310 CL PCI(t-1)	95.63%	95.63%
320 1 + % Change CL PCI	1.0060824	1.0060824
330 CL Rev/MOU(t)	\$0.0391520	\$0.0391513
Step 4:		
340 Base Demand * Proposed SLCs	\$698,606,393	\$702,899,212
350 CCL MOU for Base Year	31,387,223,056	31,387,223,056
360 1 + g/2	1.0252727	1.0252727
370 SLC REV/MOU(t)	\$0.0217090	\$0.0218424
380 CCL Rev/MOU(t)	\$0.0174430	\$0.0173089
Step 5:		
390 CCL MOU for Base Year	31,387,223,056	31,387,223,056
400 CCL Rev at CCL Rev/MOU(t)	\$547,488,128	\$543,279,128
410 Chargeable Origin MOU	13,988,459,381	13,988,459,381
420 Originating CCL Rev (rate = .01)	\$139,884,594	\$139,884,594
430 Residual CCL Rev	\$407,603,535	\$403,394,534
440 Chargeable Terminating MOU	16,643,361,646	16,643,361,646
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	\$0.0244905	\$0.0242376
460 Total Chargeable MOU	30,631,821,027	30,631,821,027
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0178732	\$0.0177358
480 Premium Terminating Rate Cap	\$0.0244905	\$0.0242376

	GTE 1993 Annual Filing Trans No. 47 & 796	1993 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	18,203,919,994	18,203,919,994
110 Term CCL Non-Prem MOU	726,732,375	726,732,375
120 Chargeable Term CCL Prem MOU	18,530,949,563	18,530,949,563
130 Originating CCL Prem MOU	14,894,296,861	14,894,296,861
140 Originating CCL NonPrem MOU	228,604,147	228,604,147
150 Chargeable Originating CCL Prem MOU	14,997,168,727	14,997,168,727
160 Term CCL Prem Capped Rates at last PCI	\$0.0247242	\$0.0244689
170 Orig CCL Prem Capped Rates at last PCI	\$0.0100000	\$0.0100000
180 Multiline Business EUCL lines	33,944,592	33,944,592
190 Res & Single Business EUCL lines	146,237,052	146,237,052
200 Lifeline Lines	4,668,432	4,668,432
210 Special Access Surcharge Lines	50,220	50,220
220 Multiline Bus EUCL Rates at last PCI update	\$5.66	\$5.79
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Linline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	\$0	\$0
260 CL Revenue at Capped t-1 Rates	\$1,329,725,942	\$1,329,492,691
Step 2:		
270 CCL Revenue at Capped t-1 Rates	\$1,329,725,942	\$1,329,492,691
280 CCL MOU for base year	34,053,553,377	34,053,553,377
290 CL Rev/MOU t-1	0.0390481	0.0390412
Step 3:		
300 CL PCI(t)	112.97%	112.97%
310 CL PCI(t-1)	96.47%	96.47%
320 1 + % Change CL PCI	1.1710811	1.1710811
330 CL Rev/MOU(t)	\$0.0457285	\$0.0457204
Step 4:		
340 Base Demand * Proposed SLCs	\$732,219,362	\$732,989,305
350 CCL MOU for Base Year	34,053,553,377	34,053,553,377
360 1 + g/2	1.0267156	1.0267156
370 SLC REV/MOU(t)	\$0.0209425	\$0.0209645
380 CCL Rev/MOU(t)	\$0.0247860	\$0.0247559
Step 5:		
390 CCL MOU for Base Year	34,053,553,377	34,053,553,377
400 CCL Rev at CCL Rev/MOU(t)	\$844,050,184	\$843,027,119
410 Chargeable Origin MOU	14,997,168,727	14,997,168,727
420 Originating CCL Rev (rate = .01)	\$149,971,687	\$149,971,687
430 Residual CCL Rev	\$694,078,496	\$693,055,432
440 Chargeable Terminating MOU	18,530,949,563	18,530,949,563
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	\$0.0374551	\$0.0373999
460 Total Chargeable MOU	33,528,118,290	33,528,118,290
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0251744	\$0.0251439
480 Premium Terminating Rate Cap	\$0.0374551	\$0.0373999

	GTE 1994 Annual Filing Trans No. 89 & 875	1994 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	19,947,560,952	19,947,560,952
110 Term CCL Non-Prem MOU	555,777,329	555,777,329
120 Chargeable Term CCL Prem MOU	20,197,660,750	20,197,660,750
130 Originating CCL Prem MOU	15,254,635,063	15,254,635,063
140 Originating CCL NonPrem MOU	125,448,619	125,448,619
150 Chargeable Originating CCL Prem MOU	15,311,086,942	15,311,086,942
160 Term CCL Prem Capped Rates at last PCI	\$0.0363886	\$0.0363350
170 Orig CCL Prem Capped Rates at last PCI	\$0.0100000	\$0.0100000
180 Multiline Business EUCL lines	35,547,420	35,547,420
190 Res & Single Business EUCL lines	141,207,768	141,207,768
200 Lifeline Lines	5,475,444	5,475,444
210 Special Access Surcharge Lines	37,752	37,752
220 Multiline Bus EUCL Rates at last PCI update	\$5.97	\$6.00
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Lineline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	\$0	\$0
260 CL Revenue at Capped t-1 Rates	\$1,614,730,620	\$1,614,504,633
Step 2:		
270 CCL Revenue at Capped t-1 Rates	\$1,614,730,620	\$1,614,504,633
280 CCL MOU for base year	35,883,421,963	35,883,421,963
290 CL Rev/MOU t-1	0.0449993	0.0449931
Step 3:		
300 CL PCI(t)	111.82%	111.82%
310 CL PCI(t-1)	111.67%	111.67%
320 1 + % Change CL PCI	1.0013225	1.0013225
330 CL Rev/MOU(t)	\$0.0450589	\$0.0450526
Step 4:		
340 Base Demand * Proposed SLCs	\$727,449,147	\$727,477,652
350 CCL MOU for Base Year	35,883,421,963	35,883,421,963
360 1 + g/2	1.0321616	1.0321616
370 SLC REV/MOU(t)	\$0.0196409	\$0.0196417
380 CCL Rev/MOU(t)	\$0.0254180	\$0.0254109
Step 5:		
390 CCL MOU for Base Year	35,883,421,963	35,883,421,963
400 CCL Rev at CCL Rev/MOU(t)	\$912,083,830	\$911,829,927
410 Chargeable Origin MOU	15,311,086,942	15,311,086,942
420 Originating CCL Rev (rate = .01)	\$153,110,869	\$153,110,869
430 Residual CCL Rev	\$758,972,960	\$758,719,058
440 Chargeable Terminating MOU	20,197,660,750	20,197,660,750
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	\$0.0375773	\$0.0375647
460 Total Chargeable MOU	35,508,747,692	35,508,747,692
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0256862	\$0.0256790
480 Premium Terminating Rate Cap	\$0.0375773	\$0.0375647

	GTE 1995 Annual Filing Trans No. 157 & 983	1995 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	22,112,589,563	22,112,589,563
110 Term CCL Non-Prem MOU	480,701,457	480,701,457
120 Chargeable Term CCL Prem MOU	22,328,905,219	22,328,905,219
130 Originating CCL Prem MOU	16,022,359,892	16,022,359,892
140 Originating CCL NonPrem MOU	99,598,558	99,598,558
150 Chargeable Originating CCL Prem MOU	16,067,179,243	16,067,179,243
160 Term CCL Prem Capped Rates at last PCI	\$0.0376457	\$0.0376331
170 Orig CCL Prem Capped Rates at last PCI	\$0.0100000	\$0.0100000
180 Multiline Business EUCL lines	38,307,084	38,307,084
190 Res & Single Business EUCL lines	143,298,048	143,298,048
200 Lifeline Lines	5,789,028	5,789,028
210 Special Access Surcharge Lines	14,172	14,172
220 Multiline Bus EUCL Rates at last PCI update	\$5.99	\$6.00
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Linline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	\$0	\$0
260 CL Revenue at Capped t-1 Rates	\$1,752,970,306	\$1,752,826,357
Step 2:		
270 CCL Revenue at Capped t-1 Rates	\$1,752,970,306	\$1,752,826,357
280 CCL MOU for base year	38,715,249,470	38,715,249,470
290 CL Rev/MOU t-1	0.0452785	0.0452748
Step 3:		
300 CL PCI(t)	96.32%	96.32%
310 CL PCI(t-1)	111.36%	111.36%
320 1 + % Change CL PCI	0.8649139	0.8649139
330 CL Rev/MOU(t)	\$0.0391620	\$0.0391588
Step 4:		
340 Base Demand * Proposed SLCs	\$751,421,494	\$751,438,217
350 CCL MOU for Base Year	38,715,249,470	38,715,249,470
360 1 + g/2	1.0244243	1.0244243
370 SLC REV/MOU(t)	\$0.0189462	\$0.0189466
380 CCL Rev/MOU(t)	\$0.0202159	\$0.0202122
Step 5:		
390 CCL MOU for Base Year	38,715,249,470	38,715,249,470
400 CCL Rev at CCL Rev/MOU(t)	\$782,662,207	\$782,521,379
410 Chargeable Origin MOU	16,067,179,243	16,067,179,243
420 Originating CCL Rev (rate = .01)	\$160,671,792	\$160,671,792
430 Residual CCL Rev	\$621,990,414	\$621,849,587
440 Chargeable Terminating MOU	22,328,905,219	22,328,905,219
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	\$0.0278558	\$0.0278495
460 Total Chargeable MOU	38,396,084,462	38,396,084,462
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0203839	\$0.0203802
480 Premium Terminating Rate Cap	\$0.0278558	\$0.0278495

	GTE 1996 Annual Filing Trans No. 182 & 1041	1996 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	24,384,588,837	24,384,588,837
110 Term CCL Non-Prem MOU	448,008,746	448,008,746
120 Chargeable Term CCL Prem MOU	24,586,192,773	24,586,192,773
130 Originating CCL Prem MOU	16,539,385,708	16,539,385,708
140 Originating CCL NonPrem MOU	86,166,106	86,166,106
150 Chargeable Originating CCL Prem MOU	16,578,160,456	16,578,160,456
160 Term CCL Prem Capped Rates at last PCI	\$0.0278779	\$0.0278716
170 Orig CCL Prem Capped Rates at last PCI	\$0.0100000	\$0.0100000
180 Multiline Business EUCL lines	41,183,652	41,183,652
190 Res & Single Business EUCL lines	146,626,104	146,626,104
200 Lifeline Lines	6,477,420	6,477,420
210 Special Access Surcharge Lines	3,924	3,924
220 Multiline Bus EUCL Rates at last PCI update	\$5.98	\$5.99
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Linline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	\$0	\$0
260 CL Revenue at Capped t-1 Rates	\$1,633,628,834	\$1,633,494,825
Step 2:		
270 CCL Revenue at Capped t-1 Rates	\$1,633,628,834	\$1,633,494,825
280 CCL MOU for base year	41,458,149,397	41,458,149,397
290 CL Rev/MOU t-1	0.0394043	0.0394011
Step 3:		
300 CL PCI(t)	96.69%	96.69%
310 CL PCI(t-1)	96.73%	96.73%
320 1 + % Change CL PCI	0.9995395	0.9995395
330 CL Rev/MOU(t)	\$0.0393861	\$0.0393829
Step 4:		
340 Base Demand * Proposed SLCs	\$782,618,775	\$782,120,709
350 CCL MOU for Base Year	41,458,149,397	41,458,149,397
360 1 + g/2	1.0164756	1.0164756
370 SLC REV/MOU(t)	\$0.0185713	\$0.0185595
380 CCL Rev/MOU(t)	\$0.0208148	\$0.0208234
Step 5:		
390 CCL MOU for Base Year	41,458,149,397	41,458,149,397
400 CCL Rev at CCL Rev/MOU(t)	\$862,942,871	\$863,298,917
410 Chargeable Origin MOU	16,578,160,456	16,578,160,456
420 Originating CCL Rev (rate = .01)	\$165,781,605	\$165,781,605
430 Residual CCL Rev	\$697,161,266	\$697,517,312
440 Chargeable Terminating MOU	24,586,192,773	24,586,192,773
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	\$0.0283558	\$0.0283703
460 Total Chargeable MOU	41,164,353,228	41,164,353,228
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0209634	\$0.0209720
480 Premium Terminating Rate Cap	\$0.0283558	\$0.0283703

	GTE 1997 Annual Filing Letter Dated 12/17/97	1997 AF with Prescribed EUCL
Step 1:		
100 Terminating CCL Prem MOU	27,199,887,633	27,199,887,633
110 Term CCL Non-Prem MOU	308,668,574	308,668,574
120 Chargeable Term CCL Prem MOU	27,338,788,491	27,338,788,491
130 Originating CCL Prem MOU	17,470,970,776	17,470,970,776
140 Originating CCL NonPrem MOU	54,883,854	54,883,854
150 Chargeable Originating CCL Prem MOU	17,495,668,510	17,495,668,510
160 Term CCL Prem Capped Rates at last PCI	\$0.0271460	\$0.0271599
170 Orig CCL Prem Capped Rates at last PCI	\$0.0099777	\$0.0099777
180 Multiline Business EUCL lines	43,216,752	43,216,752
190 Res & Single Business EUCL lines	151,023,024	151,023,024
200 Lifeline Lines	7,114,452	7,114,452
210 Special Access Surcharge Lines	4,272	4,272
220 Multiline Bus EUCL Rates at last PCI update	\$5.99	\$6.00
230 Res & Single Bus EUCL lines at last PCI	\$3.50	\$3.50
240 Lineline Rates at last PCI update	\$3.50	\$3.50
250 Sp. Acc. Srch. at last PCI update	\$25.00	\$25.00
255 Other CCL Revenues	0	0
260 CL Revenue at Capped t-1 Rates	1,729,137,399	1,730,020,148
Step 2:		
270 CCL Revenue at Capped t-1 Rates	1,729,137,399	1,730,020,148
280 CCL MOU for base year	45,034,410,837	45,034,410,837
290 CL Rev/MOU t-1	\$0.0383959	\$0.0384155
Step 3:		
300 CL PCI(t)	88.47%	88.47%
310 CL PCI(t-1)	95.53%	95.53%
320 1 + % Change CL PCI	0.9260792	0.9260792
330 CL Rev/MOU(t)	\$0.0355577	\$0.0355758
Step 4:		
340 Base Demand * Proposed SLCs	861,239,096	861,239,096
350 CCL MOU for Base Year	45,034,410,837	45,034,410,837
360 1 + g/2	1.0009031	1.0009031
370 SLC REV/MOU(t)	0.0191068	0.0191068
380 CCL Rev/MOU(t)	0.0164509	0.0164690
Step 5:		
390 CCL MOU for Base Year	45,034,410,837	45,034,410,837
400 CCL Rev at CCL Rev/MOU(t)	740,856,251	741,673,747
410 Chargeable Origin MOU	17,495,668,510	17,495,668,510
420 Originating CCL Rev (rate = .01)	174,956,685	174,956,685
430 Residual CCL Rev	565,899,566	566,717,061
440 Chargeable Terminating MOU	27,338,788,491	27,338,788,491
450 Hypothetical Prem Term Rate Cap#1(Prem Orig=.01)	0.0206995	0.0207294
460 Total Chargeable MOU	44,834,457,002	44,834,457,002
470 Hypothetical Prem Term Rate Cap#2(if #1<.01)	\$0.0165243	\$0.0165425
480 Premium Terminating Rate Cap	\$0.0206995	\$0.0207294

GTE CCL RATE TRUE-UP CHART

	<u>1991/1992</u>	<u>1992/1993</u>	<u>1993/1994</u>	<u>1994/1995</u>	<u>1995/1996</u>	<u>1996/1997</u>	<u>1997/1998</u>
Proposed CCL Rate Cap	0.0227253	0.0244905	0.0374551	0.0375773	0.0278558	0.0283558	0.0206995
Actual CCL Rate Cap	0.0226642	0.0247242	0.0363886	0.0376457	0.0278779	0.0271460	na
True-up Factor	0.9973114	1.0095425	0.9715259	1.0018202	1.0007934	0.9573350	na
AT&T Calculated CCL Rate Cap	0.0227110	0.0242376	0.0373999	0.0375647	0.0278495	0.0283703	0.0206995
AT&T Calculated CCL Rate Cap with True-up	0.0226499	0.0244689	0.0363350	0.0376331	0.0278716	0.0271599	na

CALCULATION OF EUCL CHANGE FOR
CCL RATE DEVELOPMENT

	Tariff Period					
	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997
Actual per Line EUCL Calculated*	\$6.61	\$6.56	\$7.57	\$7.44	\$7.18	\$8.12
Forecasted per Line EUCL Calculated*	\$6.59	\$6.23	\$7.28	\$7.38	\$7.17	\$7.35
Percent Under Forecast	0.30%	5.30%	3.98%	0.81%	0.14%	10.48%
EUCL Used For CCL Rate** Development	\$5.84	\$5.66	\$5.97	\$6.00	\$5.98	\$5.99
Adjusted EUCL Used By AT&T For CCL Rate Development***	\$5.85	\$5.79	\$6.00	\$6.00	\$5.99	\$5.98

* See FCC 97-403, Memorandum Opinion and Order, Table 1

** See Exhibit CCL-REFUND, Page 3a-3g

*** Calculated using percent change Total Company EUCL applied to per COSA rates, multiplied by (percent COSA line volumes to total line volumes); determined using 1991 - 1996 Annual Filings

EXHIBIT 5

GTE Telephone Operating Companies
Revenue vs Revenue Requirement
Line Side Ports

STATE	Total Local Switching Revenue as of 12/22/97 (A)	Line Side Port % of Local Switching (B)	Line Side Port Revenues (C = A * B)	Line Side Port Part 69 Requirement (D)	Line Side Revenue minus Part 69 Req. (E = C - D)
ALABAMA	\$6,668,494	49.6194%	\$3,308,867	\$1,850,160	\$1,458,707
ALASKA	1,732,550	39.5104%	684,537	586,380	98,157
ARKANSAS	3,499,501	38.9316%	1,362,411	973,978	388,433
CALIFORNIA	92,086,415	48.7331%	44,876,524	29,744,480	15,132,044
CALIFORNIA - WC	846,601	59.0255%	499,711	691,741	(192,030)
FLORIDA	54,575,666	52.4365%	28,617,559	25,103,136	3,514,423
HAWAII	28,471,903	27.9798%	7,966,380	5,781,176	2,185,204
IDAHO	9,082,230	39.4921%	3,586,765	2,160,475	1,426,290
ILLINOIS	22,903,246	40.4175%	9,256,909	7,160,454	2,096,455
INDIANA	31,740,208	41.6849%	13,230,864	7,117,817	6,113,047
IOWA	7,425,873	30.0449%	2,231,099	1,154,549	1,076,550
KENTUCKY	17,049,074	43.6076%	7,434,694	3,860,064	3,574,630
MICHIGAN	16,690,815	37.5163%	6,261,773	4,580,779	1,680,994
MINNESOTA	284,158	14.8077%	42,077	81,640	(39,563)
MISSOURI	4,115,713	41.5582%	1,710,414	1,242,302	468,112
NEBRASKA	3,220,264	32.2452%	1,038,380	445,434	592,946
NEW MEXICO	1,990,184	59.4903%	1,183,966	1,099,611	84,355
NORTH CAROLINA	10,055,347	35.2104%	3,540,530	2,451,855	1,088,675
OHIO	27,135,282	44.2073%	11,995,768	6,280,222	5,715,546
OKLAHOMA	4,117,740	36.3177%	1,495,470	1,048,816	446,654
OREGON	20,171,063	42.8966%	8,652,691	4,930,673	3,722,018
PENNSYLVANIA	13,666,719	44.1918%	6,039,568	3,933,430	2,106,138
SOUTH CAROLINA	8,664,201	40.9677%	3,549,523	2,193,363	1,356,160
TEXAS	52,362,468	39.6384%	20,755,626	15,991,359	4,764,267
VIRGINIA	1,403,200	39.9553%	560,653	982,050	(421,397)
WASHINGTON	24,599,266	42.0603%	10,346,528	6,787,621	3,558,907
WISCONSIN	18,036,335	35.5646%	6,414,549	3,291,386	3,123,163
MICRONESIA	1,568,561	36.4932%	572,419	708,128	(135,709)
Total GTE	\$484,163,074		\$207,216,254	\$142,233,079	\$64,983,175

GTE Systems Telephone Companies
Revenue vs Revenue Requirement
Line Side Ports

STATE	Total Local Switching Revenue as of 12/22/97 (A)	Line Side Port % of Local Switching (B)	Line Side Port Revenues (C = A * B)	Line Side Port Part 69 Requirement (D)	Line Side Revenue minus Part 69 Req. (E = C - D)
ALABAMA	\$2,274,986	54.7551%	\$1,245,671	\$1,182,622	\$63,049
ARIZONA - WESTERN	341,038	24.8590%	84,779	250,961	(166,182)
ARKANSAS	4,225,519	53.3026%	2,252,313	1,619,697	632,616
CALIFORNIA	13,719,870	44.2507%	6,071,132	3,040,516	3,030,616
ILLINOIS	6,119,367	47.9191%	2,932,344	2,533,956	398,388
INDIANA	4,635,041	42.5458%	1,972,017	2,533,956	(561,939)
IOWA	5,088,976	42.5535%	2,165,538	1,745,463	420,075
KENTUCKY	1,824,172	49.0460%	894,684	730,817	163,867
MINNESOTA	3,529,254	48.6647%	1,717,500	1,149,129	568,371
MISSOURI	9,377,507	45.4620%	4,263,201	3,807,069	456,132
NEVADA	2,485,603	56.0135%	1,392,274	1,920,094	(527,820)
NEW MEXICO	5,146,118	65.3494%	3,362,957	1,542,394	1,820,563
NORTH CAROLINA	2,945,031	56.3101%	1,658,351	1,390,028	268,323
PENNSYLVANIA	4,935,926	49.9460%	2,465,299	1,628,553	836,746
SOUTH CAROLINA	681,489	42.4184%	289,077	649,783	(360,706)
TEXAS	9,181,597	38.1196%	3,499,989	1,858,848	1,641,141
VIRGINIA	15,155,921	59.9827%	9,090,931	8,962,251	128,680
WASHINGTON	4,253,548	66.9072%	2,845,931	990,429	1,855,502
Total GSTC	\$95,920,962		\$48,203,988	\$37,536,566	\$10,667,422

EXHIBIT 6

G T O C Tariff Entities

STATE	FCC COSA	(A)	(B)	(C)
		TOTAL Local Swtg Rev. Reg. (Note 1)	CL Line Side Port Rev. Reg. (Note 2)	CL Line Side Port % of Lcl Swtg (C = B / A)
ALABAMA	GTAL	3,728,702	1,850,160	49.6194%
ALASKA	GTAK	1,484,117	586,380	39.5104%
ARKANSAS	GTAR	2,501,769	973,978	38.9316%
CALIFORNIA	GTCA	61,035,532	29,744,480	48.7331%
W.C. CALIFORNIA	GNCA	1,171,936	691,741	59.0255%
FLORIDA	GTFL	47,873,418	25,103,136	52.4365%
HAWAII	GTHI	20,661,968	5,781,176	27.9798%
IDAHO	GTID	5,470,648	2,160,475	39.4921%
ILLINOIS	GAIL	17,716,241	7,160,454	40.4175%
INDIANA	GAIN	17,075,302	7,117,817	41.6849%
IOWA	GTIA	3,842,741	1,154,549	30.0449%
KENTUCKY	GTKY	8,851,812	3,860,064	43.6076%
MICHIGAN	GAMI	12,210,109	4,580,779	37.5163%
MINNESOTA	GTMN	551,336	81,640	14.8077%
MISSOURI	GTMO	2,989,310	1,242,302	41.5582%
NEBRASKA	GTNE	1,381,397	445,434	32.2452%
NEW MEXICO	GTNM	1,848,388	1,099,611	59.4903%
NORTH CAROLINA	GTNC	6,963,436	2,451,855	35.2104%
OHIO	GTOH	14,206,310	6,280,222	44.2073%
OKLAHOMA	GTOK	2,887,889	1,048,816	36.3177%
OREGON	GTOR	11,494,333	4,930,673	42.8966%
PENNSYLVANIA	GTPA	8,900,816	3,933,430	44.1918%
SOUTH CAROLINA	GTSC	5,353,885	2,193,363	40.9677%
TEXAS	GTTX	40,343,135	15,991,359	39.6384%
VIRGINIA	GTVA	2,457,871	982,050	39.9553%
WASHINGTON	GTWA	16,137,828	6,787,621	42.0603%
WISCONSIN	GTWI	9,254,671	3,291,386	35.5646%
MICRONESIA	GTMC	1,940,436	708,128	36.4932%
TOT GTE	GTTC	328,394,900	141,524,951	43.0960%

NOTE: 1) Source: Company Records
2) Source: EXG-1 Form filed 12/22/97; Transmittal 1128

G S T C Tariff Entities

STATE	FCC COSA	(A) TOTAL Local Swtg Rev. Reg. (Note 1)	(B) CL Line Side Port Rev. Reg. (Note 2)	(C) CL Line Side Port % of Lcl Swtg (C = B / A)
ALABAMA	COAL	2,159,838	1,182,622	54.7551%
ARIZONA-CA	COAZ	1,009,536	250,961	24.8590%
ARKANSAS	COAT	3,038,681	1,619,697	53.3026%
CALIFORNIA	COCA	6,871,121	3,040,516	44.2507%
ILLINOIS	COIL	5,287,990	2,533,956	47.9191%
INDIANA	COIN	3,590,088	1,527,433	42.5458%
IOWA	COIT	4,101,807	1,745,463	42.5535%
KENTUCKY	COKY	1,490,064	730,817	49.0460%
MINNESOTA	COMN	2,361,321	1,149,129	48.6647%
MISSOURI	COMT	8,374,181	3,807,069	45.4620%
NEVADA	CONV	3,427,910	1,920,094	56.0135%
NEW MEXICO	CONM	2,360,227	1,542,394	65.3494%
NORTH CAROLINA	CONC	2,468,522	1,390,028	56.3101%
PENNSYLVANIA	COPT	3,260,625	1,628,553	49.9460%
SOUTH CAROLINA	COSC	1,531,841	649,783	42.4184%
TEXAS	COTX	4,876,356	1,858,848	38.1196%
VIRGINIA	COVA	14,941,392	8,962,251	59.9827%
WASHINGTON	COWA	1,480,302	990,429	66.9072%
TOT CONTEL	COTC	72,631,802	36,530,043	50.2948%

NOTE: 1) Source: Company Records
2) Source: EXG-1 Form filed 12/22/97; Transmittal 230

TOTAL GTE & CONTEL 401,026,702 178,054,994 44.3998%

EXHIBIT 7

LIST OF PRICE CAP EXOGENOUS ADJUSTMENTS

<u>Exogenous Adjustment</u>	<u>Measurement of Costs</u>
SPF Transition	Revenue Requirement
DEM Transition	Revenue Requirement
Transitional/Long Term Support	NECA Correspondence
Inside Wire Amortization	Revenue Requirement
Reserve Deficiency Amortization	Revenue Requirement
Investment Tax Credit Amortization	Revenue Requirement
Excess Deferred Tax Amortization	Revenue Requirement
Removal of (Sharing)/Low End Adj.	Reversal of Prior Yr at current "R" Value
Trueup Prior Yr (Sharing)/Low End Adj.	Trueup of Final results of prior yr earnings
Current Yr (Sharing)/Low End Adj.	Initial results of earnings
Telecommunications Relay Services	Change in payment from prior year
Regulatory Fees	Change in payment from prior year
Sale of Exchanges	Revenue Requirement Less Revenues
Other Billing & Collection Rule Change	Revenue Requirement
PayPhone Deregulation	Revenues
LIDB	Revenues
Data Base 800	Revenue Requirement
Local Transport Restructure	Revenues
Universal Service Contributions	FCC Form 457 Change from prior year
TIC Trueup	Revenues
Marketing Expense	Revenue Requirement
Line Side Ports	Revenue Requirement

LIST OF PRICE CAP EXOGENOUS ADJUSTMENTS

<u>Exogenous Adjustment</u>	<u>Measurement of Costs</u>
Analog EO MUX	Revenue Requirement
STP Ports	Revenues
SS7 STP	Adjusted Revenue Requirement
COE Maintenance	Revenue Requirement
Wgtd DEM	Revenue Requirement
GSF Reallocation	Revenue Requirement
TIC to TST	Revenues Less Adjusted Revenue Requirement
Tandem Trunk Ports	Adjusted Revenue Requirement
SS7	Revenue Requirement
Host/Remote	Revenue Requirement
Zone Differential	Revenues
Shared Muxes + TST Reinitialized	Revenues

EXHIBIT 8

**COE MAINTENANCE ALLOCATION TO TIC
GTE TELEPHONE OPERATING COMPANIES (GTOC)**

EXHIBIT 8
PAGE 1 OF 4

STATE	TRUNKING COE MAINTENANCE COST (A)	"R" VALUE TIC REVENUE (B)	"R" VALUE TRUNKING REVENUE (C)	TIC COE MAINTENANCE COST (D= (A*B/C))
ALABAMA	\$198,980	\$1,958,404	\$6,347,286	\$61,394
ALASKA	(10,394)	0	578,533	0
ARKANSAS	229,109	445,777	1,891,135	54,005
CALIFORNIA	5,680,430	4,107,659	47,853,215	487,601
CALIFORNIA-WC	27,443	104,485	536,731	5,342
FLORIDA	3,698,455	5,041,533	47,048,000	396,316
HAWAII	2,057,179	6,103,279	29,283,835	428,753
IDAHO	435,749	6,164,497	10,674,260	251,650
ILLINOIS	1,473,726	7,831,574	24,049,694	479,906
INDIANA	1,018,550	4,288,588	24,353,035	179,367
IOWA	321,309	720,811	2,969,865	77,984
KENTUCKY	509,391	4,317,612	16,636,529	132,200
MICHIGAN	613,358	4,439,480	19,431,630	140,132
MINNESOTA	19,995	21,410	40,827	10,485
MISSOURI	135,698	332,961	3,570,548	12,654
NEBRASKA	147,646	283,456	1,712,298	24,442
NEW MEXICO	130,084	321,521	2,340,081	17,873
NORTH CAROLINA	681,447	2,868,611	10,541,674	185,436
OHIO	1,066,473	4,615,269	19,507,005	252,323
OKLAHOMA	314,612	521,721	2,283,118	71,893
OREGON	1,343,130	5,698,311	18,261,547	419,109
PENNSYLVANIA	597,782	2,647,468	10,844,424	145,938
SOUTH CAROLINA	303,099	2,215,354	6,153,565	109,119
TEXAS	5,308,931	7,378,099	47,442,099	825,634
VIRGINIA	290,093	437,453	1,209,435	104,927
WASHINGTON	573,936	7,792,817	23,615,052	189,395
WISCONSIN	590,595	2,413,316	12,281,430	116,053
MTC	29,749	1,006,109	1,175,795	25,456
TOTAL GTE	\$27,786,555	\$84,077,577	\$392,632,650	\$5,205,387