U S WEST, Inc.
Suite 700
1020 Nineteenth Street, NW
Washington, DC 20036
202 429-3133
FAX 202 296-5157

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USWEST

Glenn Brown
Executive Director-
Public Policy

EX PARTE

March 9, 1998

RECEIVED
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222, SC-1170
Washington, DC 20554

RE: CC Docket Nos. 96-45 and 97-160

Dear Ms. Salas:

Today, Whit Jordan, representing Bellsouth, Pete Sywenki, representing Sprint, and the undersigned, representing U S WEST, met separately with Kyle Dixon, Legal Advisor to Commissioner Michael Powell and Kevin Martin Legal Advisor to Commissioner Harold Furchgott-Roth to discuss the Benchmark Cost Proxy Model. The attached charts were used during our presentations.

In accordance with Section 1.206(a)(2) of the Commission's rules, an original and one copy of this letter and the attachments are being filed with your office for inclusion in the record in this proceeding.

Acknowledgment and date of receipt of this submission are requested. A duplicate letter is attached for this purpose.

Please call if you have any questions.

Sincerely,

Attachments
cc: Mr. Kyle Dixon
Mr. Kevin Martin
Mr. Whit Jordan
Mr. Pete Sywenki

SUMMARY OF DIFFERENCES

1. IN AGGREGATE, WITH COMMON INPUTS, MODELS PRODUCE SIMILAR FUND SIZE, HOWEVER DISTRIBUTION OF FUND IS SIGNIFICANTLY DIFFERENT:
   - HAI Provides More Funding To Eastern And More Dense Areas
   - BCPM Provides More Funding To Western And Less Dense Areas.
2. BCPM"s ANALYSIS IS SIGNIFICANTLY MORE GRANULAR:
   - On Average HAI "Clusters" Are About 5 Times As Large As BCPM "Ultimate Grids".
3. HAI DOES NOT BUILD ITS NETWORK TO GEOCODED CUSTOMER LOCATIONS:
   - Geocoded Customer Locations Are Used To Define "Cluster" Boundaries,
   - For Network Construction, Customers Are Assumed To Be Uniformly Distributed Within The Cluster.

SUMMARY OF DIFFERENCES
(CONTINUED)

4. SUCCESS OF CURRENT GEOCODING METHODS IN HIGH-COST AREAS IS POOR:
   - 31.7% Of Funding In 0-5 Lines/mi^2 Zone - 15% "Hit" Rate
   - 67.7% Of Funding In 5-100 Lines/mi^2 Zone - 43% "Hit" Rate
5. WHEN USABLE GEOCODED DATA BECOMES AVAILABLE, BCPM CAN USE IT MORE EFFECTIVELY
   - Finer Resolution (5x)
   - Extra Layer Of Data (Roads)
6. HAI's SOURCE OF GEOCODED DATA IS EXPENSIVE, PROPRIETARY, AND NOT AVAILABLE FOR PUBLIC INSPECTION .
7. HAI 5.0 SYSTEMATICALLY OVERBUILDS PLANT IN DENSE AREAS:
   - Cable Route Miles >> Road Miles
   - Cluster Areas > Wire Center Area
   - Questionable Business and Special Access Line Data

SUMMARY OF DIFFERENCES

8. HAI 5.0 "OPTIMIZATION" ROUTINES APPEAR QUESTIONABLE:
   - Input Changes Fail to Produce Expected Output Changes.

COMPARISON OF MODEL RUNS

	TOTAL NON-RURAL LECs FUND
BCPM3 w/Default Inputs	$8.9B
BCPM3 w/Common Inputs *	$4.5B
Hatfield 5.0 w/Common Inputs *	$4.7B
Hatfield 5.0 w/Default Inputs	$2.8B

* Common inputs were prescribed by FCC Staff to facilitate comparison of models. Neither model sponsor endorses these inputs as the correct basis for the determination of high-cost support.

State	Company	HATFIELD Unit Cost per Month	BCPM Monthly Cost	HATFIELD Fund at WC	BCPM Fund at WC	HATFIELD Fund at CBG	BCPM Fund at CBG	% Cost Per Line	% Fund at WC	% Fund At CBG
ND	Northwestern Bell-North Dakota	$ 28.61	$ 35.78	$ 12,160,724	$ 22,127,253	$ 19,841,783	$ 30,644,710	80%	55%	64%
AZ	Mountain Bell-Arizona	$ 22.93	$ 27.49	$ 35,931,[illegible]	$ 65,341,173	$ 67,623,744	$ 78,102,357	83%	55%	87%
TX	GTE Southwest Inc - Texas	$ 27.85	$ 34.63	$ 76,608,758	$ 130,058,907	$ 110,980,049	$ 152,317,586	80%	59%	73%
MT	Mountain Bell-Montana	$ 31.32	$ 42.30	$ 24,271,577	$ 39,741,958	$ 29,[illegible],827	$ 52,912,307	74%	61%	56%
ID	GTE Northwest Inc - Idaho	$ 36.10	$ 46.45	$ 12,304,731	$ 20,076,305	$ 15,[illegible],184	$ 25,171,275	78%	61%	62%
WY	Mountain Bell-Wyoming	$ 37.40	$ 45.87	$ 20,008,020	$ 31,744,296	$ 36,[illegible]	$ 47,036,477	82%	63%	78%
SD	Northwestern Bell-South Dakota	$ 31.23	$ 38.97	$ 17,695,603	$ 27,574,307	$ 27,[illegible]	$ 37,835,751	80%	64%	73%
CA	GTE Of California	$ 19.21	$ 22.14	$ 9,404,795	$ 14,345,861	$ 15,121,[illegible]	$ 27,586,946	87%	66%	55%
IA	GTE And Contel Of Iowa	$ 48.07	$ 58.17	$ 23,797,715	$ 36,002,177	$ 28,422,[illegible]	$ 39,798,751	84%	66%	71%
OR	Pacific Northwest Bell-Oregon	$ 24.10	$ 27.39	$ 17,885,481	$ 26,820,570	$ 35,[illegible]	$ 28,892,289	88%	67%	125%
WA	GTE Northwest Inc - Washington	$ 23.64	$ 27.74	$ 13,296,424	$ 19,848,921	$ 16,373,[illegible]	$ 26,823,743	85%	67%	63%
AR	Southwestern Bell-Arkansas	$ 28.46	$ 34.48	$ 34,871,[illegible]	$ 52,051,355	$ 54,736,374	$ 68,907,695	83%	67%	80%
CA	Pacific Bell	$ 19.80	$ 22.26	$ 59,[illegible]	$ 89,264,237	$ 99,[illegible]	$ 149,700,471	89%	67%	67%
WI	GTE North Inc-WI	$ 37.84	$ 42.71	$ 41,842,[illegible]	$ 60,962,072	$ 54,[illegible]	$ 76,074,367	88%	69%	72%
WA	Telephone Utilities Of WA Inc	$ 48.01	$ 61.36	$ 29,[illegible],012	$ 41,919,302	$ 32,[illegible]	$ 44,105,979	78%	71%	74%
IA	Northwestern Bell-IA	$ 24.80	$ 29.31	$ 20,[illegible]	$ 28,599,145	$ 40,[illegible]	$ 46,006,499	85%	72%	108%
CA	Contel Of California - California	$ 33.35	$ 38.78	$ 29,597,713	$ 40,908,017	$ 32,[illegible],149	$ 47,846,986	86%	72%	86%
KS	Southwestern Bell-Kansas	$ 26.47	$ 31.28	$ 43,761,117	$ 60,196,983	$ 62,844,752	$ 86,239,785	85%	73%	73%
KY	GTE South Inc - Kentucky	$ 28.53	$ 32.92	$ 16,787,175	$ 22,943,133	$ 23,[illegible]	$ 30,263,626	87%	73%	78%
NM	Mountain Bell-New Mexico	$ 27.47	$ 31.85	$ 28,157,823	$ 35,740,221	$ 50,[illegible]	$ 51,331,678	88%	79%	97%
WA	Pacific Northwest Bell-Washington	$ 22.38	$ 25.32	$ 21,718,084	$ 29,432,490	$ 35,018,[illegible]	$ 46,283,827	88%	74%	76%
WI	Wisconsin Bell	$ 21.24	$ 24.29	$ 7,086,544	$ 9,223,453	$ 22,[illegible]	$ 25,470,320	87%	77%	89%
MO	Contel Missouri DBA GTE Missouri	$ 48.09	$ 56.71	$ 48,977,232	$ 63,278,358	$ 55,114,[illegible]	$ 67,245,274	85%	77%	82%
MN	Contel Of Minnesota Inc Dba GTE Minnesota	$ 56.38	$ 63.94	$ 32,783,611	$ 42,298,963	$ 32,[illegible]	$ 45,531,502	88%	77%	72%
NC	Contel Of North Carolina Dba GTE No Carolina	$ 38.11	$ 44.27	$ 11,308,488	$ 14,563,485	$ 14,[illegible]	$ 17,431,476	86%	78%	82%
IL	Contel Of Illinois Inc Dba GTE - Illinois	$ 42.63	$ 45.48	$ 28,844,372	$ 36,672,818	$ 28,[illegible]	$ 41,844,774	94%	78%	69%
NY	Citizens Telecom-NY	$ 31.22	$ 40.50	$ 28,332,[illegible]	$ 35,821,919	$ 28,[illegible]	$ 41,234,815	77%	79%	70%
SC	Southern Bell-SC	$ 26.36	$ 29.32	$ 20,543,310	$ 25,877,854	$ 36,[illegible]	$ 46,071,793	90%	79%	87%
MI	GTE North Inc-MI	$ 34.18	$ 36.47	$ 41,[illegible]	$ 51,717,[illegible]	$ 50,[illegible]	$ 65,[illegible]	94%	80%	77%
OH	GTE North Inc-OH	$ 32.50	$ 34.84	$ 42,[illegible]	$ 53,188,[illegible]	$ 58,[illegible]	$ 68,[illegible]	93%	80%	81%
IL	GTE Of Illinois	$ 33.80	$ 36.77	$ 49,[illegible]	$ 61,794,531	$ 58,[illegible]	$ 83,799,133	92%	80%	71%
MI	Michigan Bell Tel Co	$ 22.30	$ 25.09	$ 43,275,112	$ 53,165,[illegible]	$ 62,[illegible]	$ 80,[illegible]	89%	81%	78%
ID	Mountain Bell-Idaho	$ 27.90	$ 32.66	$ 20,[illegible]	$ 25,071,[illegible]	$ 31,[illegible]	$ 36,357,[illegible]	85%	82%	86%
OK	GTE Southwest Inc - Oklahoma	$ 34.65	$ 37.98	$ 9,656,105	$ 11,544,624	$ 10,[illegible]	$ 13,849,377	91%	84%	78%
MN	United Telephone Co Of Minn	$ 34.30	$ 38.27	$ 10,813,417	$ 12,338,819	$ 12,[illegible]	$ 16,764,731	90%	88%	76%
TX	Southwestern Bell-Texas	$ 22.84	$ 26.12	$ 121,734,709	$ 140,697,653	$ 198,[illegible]	$ 209,486,639	87%	87%	95%
NC	GTE South Inc - North Carolina	$ 22.35	$ 25.51	$ 1,188,163	$ 1,372,814	$ 1,[illegible]	$ 2,339,630	88%	87%	78%
TX	United Telephone Co Of Texas Inc	$ 46.48	$ 48.57	$ 23,318,813	$ 26,226,413	$ 30,374,111	$ 31,[illegible]	96%	89%	96%
MO	GTE North Inc - Missouri	$ 36.34	$ 39.35	$ 13,393,063	$ 14,964,670	$ 14,[illegible]	$ 17,126,[illegible]	92%	89%	87%
KY	South Central Bell-KY	$ 29.11	$ 31.25	$ 49,018,[illegible]	$ 53,755,232	$ 65,042,114	$ 73,861,417	93%	91%	88%
CO	Mountain Bell-Colorado	$ 25.02	$ 27.82	$ 54,[illegible]	$ 58,536,653	$ 83,[illegible]	$ 84,130,[illegible]	90%	94%	100%
MO	United Telephone Co Of Missouri	$ 39.76	$ 41.12	$ 28,[illegible]	$ 27,879,545	$ 34,[illegible]	$ 34,[illegible]	97%	94%	101%
MN	Frontier Comm Of Minnesota Inc	$ 37.29	$ 39.08	$ 11,230,[illegible]	$ 11,875,037	$ 12,[illegible]	$ 14,[illegible]	95%	95%	88%
IN	Contel Of Indiana Inc Dba GTE - Indiana	$ 40.12	$ 39.48	$ 18,237,[illegible]	$ 19,072,111	$ 22,[illegible]	$ 26,474,149	102%	96%	86%
RI	New England Tel-RI	$ 21.70	$ 24.12	$ 1,551,[illegible]	$ 1,620,196	$ 3,148,[illegible]	$ 2,480,563	89%	96%	127%
IN	GTE Of Indiana	$ 26.99	$ 29.47	$ 21,[illegible],400	$ 22,286,074	$ 24,575,[illegible]	$ 30,642,221	92%	96%	80%
GA	Allel Georgia Communications Corp	$ 37.79	$ 37.65	$ 22,049,[illegible]	$ 22,814,710	$ 29,193,199	$ 30,925,182	100%	97%	94%
MS	South Central Bell-Mississippi	$ 37.08	$ 39.12	$ 112,130,933	$ 115,486,089	$ 163,032,103	$ 148,958,966	95%	97%	109%
IN	United Tel Co Of Indiana Inc	$ 37.98	$ 38.67	$ 19,837,[illegible]	$ 20,374,972	$ 22,737,232	$ 26,633,303	98%	97%	85%
GA	Southern Bell-GA	$ 24.33	$ 26.83	$ 44,275,148	$ 45,398,606	$ 86,[illegible]	$ 81,482,[illegible]	91%	98%	106%
VA	Contel Of Virginia Inc Dba GTE Virginia	$ 30.35	$ 33.46	$ 30,[illegible],200	$ 30,996,038	$ 33,148,833	$ 35,757,499	91%	98%	93%
AL	Contel Of The South Dba GTE South	$ 53.05	$ 49.84	$ 23,940,321	$ 24,434,760	$ 23,[illegible],731	$ 27,872,818	106%	98%	85%
OR	GTE Of The Northwest	$ 28.82	$ 29.36	$ 14,408,879	$ 14,544,968	$ 16,367,[illegible]	$ 15,673,391	91%	99%	104%
LA	South Central Bell-LA	$ 26.58	$ 29.12	$ 67,620,203	$ 67,991,746	$ 87,448,120	$ 93,495,899	91%	99%	94%
AL	GTE And Contel Of Alabama	$ 39.78	$ 40.37	$ 18,080,724	$ 18,081,074	$ 22,236,684	$ 22,880,749	99%	100%	101%
TX	Contel Of Texas Inc Dba GTE Texas	$ 60.95	$ 62.76	$ 77,418,456	$ 77,370,725	$ 80,[illegible]	$ 82,442,886	97%	100%	98%
OH	Ohio Bell Tel Co	$ 21.49	$ 24.03	$ 20,051,492	$ 19,893,463	$ 33,080,712	$ 32,125,471	89%	101%	103%
NV	Central Telephone Company - Nevada	$ 20.16	$ 21.85	$ 3,818,672	$ 3,580,363	$ 4,463,667	$ 3,718,566	92%	101%	120%
FL	United Tel Co Of Florida	$ 25.01	$ 27.83	$ 15,887,551	$ 15,648,618	$ 30,[illegible]	$ 31,880,280	89%	102%	97%
IN	Indiana Bell Tel Co	$ 22.77	$ 25.98	$ 22,830,727	$ 22,308,918	$ 32,[illegible]	$ 35,881,323	88%	102%	90%
OH	Western Reserve Tel Co	$ 30.36	$ 32.17	$ 6,815,570	$ 6,597,760	$ 6,787,953	$ 7,383,164	94%	103%	92%
TN	United Inter-mountain Tel Co-TN	$ 28.94	$ 30.79	$ 6,452,880	$ 6,231,493	$ 9,653,208	$ 8,487,749	94%	104%	114%

State	Company	HATFIELD Unit Cost per Month	BCPM Monthly Cost	HATFIELD Fund at WC	BCPM Fund at WC	HATFIELD Fund at CBG	BCPM Fund at CBG	% Cost Per Line	% Fund at WC	% Fund At CBG
TX	Central Telephone Company Of Texas	$ 30.44	$ 32.92	$ 15,818,508	$ 13,179,664	$ 16,986,782	$ 17,408,468	92%	104%	98%
OK	Southwestern Bell-Oklahoma	$ 28.84	$ 31.47	$ 74,179,744	$ 70,410,234	$ 98,022,533	$ 95,995,701	92%	105%	102%
NE	Lincoln Tel And Tele Co	$ 37.62	$ 38.98	$ 37,045,141	$ 34,770,514	$ 36,032,318	$ 39,053,176	97%	107%	92%
TN	South Central Bell-TN	$ 27.13	$ 28.98	$ 62,506,950	$ 58,314,896	$ 108,727,079	$ 92,413,053	94%	107%	118%
FL	GTE Floridainc	$ 20.82	$ 23.90	$ 4,500,518	$ 4,256,293	$ 7,172,273	$ 7,655,082	87%	106%	94%
MO	Southwestern Bell-Missouri	$ 25.08	$ 27.07	$ 56,741,319	$ 52,535,705	$ 88,493,315	$ 74,350,288	93%	108%	119%
WV	C And P Tel Co Of W VA	$ 35.80	$ 36.39	$ 69,177,310	$ 62,325,112	$ 88,884,115	$ 76,923,339	98%	111%	115%
OH	United Tel Co Of Ohio	$ 33.02	$ 33.27	$ 30,624,718	$ 27,361,286	$ 43,240,277	$ 37,672,688	99%	112%	115%
FL	Southern Bell-FL	$ 21.13	$ 23.60	$ 22,225,051	$ 19,244,532	$ 36,367,340	$ 35,772,660	89%	115%	102%
AL	South Central Bell-AL	$ 30.02	$ 30.98	$ 70,612,241	$ 61,153,333	$ 121,[illegible]	$ 93,475,630	97%	116%	131%
SC	GTE South Inc - South Carolina	$ 29.10	$ 32.38	$ 7,808,085	$ 6,672,496	$ 9,[illegible]	$ 9,543,630	90%	117%	105%
UT	Mountain Bell-Utah	$ 23.09	$ 25.72	$ 14,481,702	$ 12,272,497	$ 20,144,[illegible]	$ 19,174,094	90%	118%	105%
VT	New England Tel-VT	$ 32.40	$ 33.91	$ 22,175,[illegible]	$ 18,576,967	$ 29,[illegible]	$ 24,829,814	96%	119%	119%
PA	Alltel Pennsylvaniainc	$ 36.88	$ 37.19	$ 24,597,300	$ 20,508,190	$ 30,[illegible]	$ 24,963,717	104%	120%	123%
ME	New England Tel-Maine	$ 31.54	$ 32.06	$ 40,718,[illegible]	$ 33,825,354	$ 40,[illegible]	$ 43,851,102	98%	120%	112%
PA	C-tec Corp	$ 37.49	$ 37.82	$ 20,882,024	$ 17,232,582	$ 23,[illegible]	$ 20,679,[illegible]	99%	121%	112%
PA	United Tel Co Of PA	$ 33.44	$ 33.11	$ 22,000,[illegible]	$ 18,178,669	$ 26,[illegible]	$ 24,624,[illegible]	101%	122%	111%
NC	Southern Bell-NC	$ 24.47	$ 26.84	$ 23,848,583	$ 18,758,160	$ 43,284,[illegible]	$ 35,133,[illegible]	91%	128%	123%
DE	Diamond State Tel Co	$ 22.98	$ 24.62	$ 4,819,742	$ 3,744,074	$ 19,[illegible]	$ 6,278,063	93%	128%	317%
IL	Central Tel Co Of IL	$ 23.79	$ 24.81	$ 4,[illegible]	$ 3,643,203	$ 5,134,191	$ 5,058,573	96%	129%	101%
OH	Alltel Ohio Inc	$ 28.60	$ 28.25	$ 3,983,352	$ 3,060,058	$ 3,846,[illegible]	$ 4,159,[illegible]	101%	130%	92%
NE	Northwestern Bell-Nebraska	$ 32.82	$ 31.18	$ 42,532,041	$ 32,552,598	$ 58,[illegible]	$ 42,547,[illegible]	106%	131%	136%
VA	Central Tel Co Of VA	$ 39.90	$ 36.63	$ 33,4[illegible],641	$ 24,900,275	$ 41,277,[illegible]	$ 31,922,[illegible]	108%	134%	129%
NV	Nevada Bell	$ 29.90	$ 30.49	$ 20,[illegible],416	$ 19,356,251	$ 25,237,[illegible]	$ 21,258,[illegible]	98%	138%	118%
MN	Northwestern Bell-Minnesota	$ 24.05	$ 26.23	$ 48,874,482	$ 36,037,983	$ 78,[illegible]	$ 61,637,946	94%	138%	123%
CT	Southern New England Tel	$ 23.10	$ 24.39	$ 7,502,148	$ 5,479,050	$ 24,[illegible]	$ 11,349,764	95%	139%	212%
NC	Alltel Carolina Inc-north	$ 32.84	$ 33.32	$ 8,[illegible],771	$ 6,432,176	$ 9,[illegible]	$ 8,816,[illegible]	99%	139%	112%
NH	New England Tel-NH	$ 27.29	$ 28.05	$ 25,654,811	$ 17,915,483	$ 31,276,[illegible]	$ 24,874,[illegible]	97%	143%	130%
NY	New York Tel	$ 20.79	$ 21.74	$ 84,[illegible]	$ 58,661,566	$ 120,[illegible]	$ 88,917,799	96%	143%	136%
VA	C And P Tel Co Of VA	$ 23.18	$ 24.96	$ 60,[illegible]	$ 41,700,[illegible]	$ 71,[illegible]	$ 56,046,318	93%	144%	127%
FL	Central Tel Co Of Florida	$ 28.47	$ 29.73	$ 20,[illegible]	$ 14,520,[illegible]	$ 25,[illegible]	$ 18,[illegible]	[illegible]	144%	138%
NC	North State Tel Co-NC	$ 24.83	$ 26.61	$ 348,115	$ 246,035	$ 7[illegible]	$ 723,[illegible]	[illegible]	146%	103%
VA	United Inter-mountain Tel Co-VA	$ 41.30	$ 39.19	$ 16,[illegible]	$ 10,[illegible]	$ 23,[illegible]	$ 13,[illegible]	105%	162%	170%
NJ	United Tel Co Of NJ Inc	$ 27.07	$ 27.63	$ 1,747,[illegible]	$ 1,131,[illegible]	$ 2,[illegible]	$ 1,974,[illegible]	[illegible]	154%	110%
PA	Bell Of Pennsylvania	$ 22.77	$ 23.52	$ 57,541,[illegible]	$ 35,[illegible]	$ 82,[illegible]	$ 56,[illegible]	97%	164%	146%
IL	Illinois Bell Tel Co	$ 21.30	$ 22.44	$ 20,[illegible]	$ 17,036,[illegible]	$ 33,[illegible]	$ 30,[illegible]	[illegible]	167%	109%
MA	New England Tel-MA	$ 21.52	$ 22.09	$ 12,[illegible]	$ 7,649,[illegible]	$ 15,[illegible]	$ 14,[illegible]	97%	170%	111%
NC	Carolina Tel Co-NC	$ 34.80	$ 31.53	$ 16,[illegible]	$ 7,957,[illegible]	$ 18,[illegible]	$ 12,135,[illegible]	111%	198%	151%
NC	Carolina Tel And Tel Co	$ 37.47	$ 33.24	$ 86,[illegible]	$ 43,892,[illegible]	$ 117,[illegible]	$ 68,[illegible]	113%	198%	171%
MD	C And P Tel Co Of MD	$ 22.80	$ 23.31	$ 31,737,[illegible]	$ 15,[illegible]	$ 46,[illegible]	$ 26,181,[illegible]	[illegible]	198%	176%
NY	Rochester Telephone Corp	$ 25.64	$ 23.08	$ 8,316,[illegible]	$ 3,653,271	$ 8,[illegible]	$ 5,677,[illegible]	111%	207%	146%
KY	Cincinnati Bell-KY	$ 31.20	$ 26.98	$ 8,187,541	$ 3,729,[illegible]	$ 8,[illegible]	$ 4,[illegible]	140%	220%	169%
HI	GTE Hawaiian Telephone Co Inc	$ 22.80	$ 24.36	$ 15,387,[illegible]	$ 6,640,[illegible]	$ 15,[illegible]	$ 8,412,[illegible]	[illegible]	232%	187%
OH	Cincinnati Bell-Ohio	$ 24.71	$ 23.01	$ 3,217,381	$ 1,167,[illegible]	$ 5,[illegible]	$ 1,[illegible]	107%	276%	313%
NJ	New Jersey Bell	$ 20.58	$ 20.14	$ 3,042,854	$ 1,026,[illegible]	$ 6,[illegible]	$ 3,605,312	102%	304%	167%
PA	GTE North Inc-PA and Contel	$ 26.80	$ 30.30	$ 11,771,453	$ 2,024,039	$ 18,[illegible]	$ 2,793,266	89%	581%	662%
AK	Anchorage Tel Util	$ 23.46	$ 22.74	$ 2,882,024	$ 347,872	$ 3,[illegible]	$ 643,492	103%	828%	553%
PR	Puerto Rico Tel Co	$ 31.34	$ 23.77	$ 10,276,545	$ 517,267	$ 36,142,[illegible]	$ 4,188,567	132%	3727%	729%
PR	P R T C - Central	$ 31.22	$ 26.28	$ 1,804,893	$ 1,910	$ 3,363,[illegible]	$ 88,242	119%	84019%	3834%
CA	Roseville Telephone Company	$ 21.47	$ 22.12	$ -	$ -	$ -	$ 4,470	97%		0%
DC	C And P Telephone Company Of WA Dc	$ 18.84	$ 18.62	$ -	$ -	$ 588,583	$ -	90%		
				$ 3,148,622,189	$ 3,268,267,283	$ 4,418,272,891	$ 4,443,578,399			

2/27/98

State	Company	HATFIELD Unit Cost per Month	BCPM Monthly Cost	HATFIELD Fund at WC	BCPM Fund at WC	HATFIELD Fund at CBG	BCPM Fund at CBG	% Cost Per Line	% Fund at WC	% Fund At CBG
	AMERITECH									
IL	Illinois Bell Tel Co	$ 21.30	$ 22.44	$ 28,388,379	$ 17,026,748	$ 33,546,523	$ 30,915,042	95%	167%	109%
IN	Indiana Bell Tel Co	$ 22.77	$ 25.88	$ 22,839,727	$ 22,308,918	$ 32,205,233	$ 35,881,325	88%	102%	90%
MI	Michigan Bell Tel Co	$ 22.20	$ 25.09	$ 43,275,112	$ 53,165,490	$ 62,972,453	$ 80,705,352	88%	81%	78%
OH	Ohio Bell Tel Co	$ 21.49	$ 24.03	$ 20,051,492	$ 19,893,463	$ 33,089,712	$ 32,125,471	89%	101%	103%
WI	Wisconsin Bell	$ 21.24	$ 24.29	$ 7,098,544	$ 9,223,453	$ 22,700,288	$ 25,470,320	87%	77%	89%
				$ 121,653,254	$ 121,618,072	$ 184,514,209	$ 205,097,510			
	BELL ATLANTIC									
PA	Bell Of Pennsylvania	$ 22.77	$ 23.52	$ 57,541,929	$ 35,059,834	$ 82,817,548	$ 56,911,030	97%	164%	146%
MD	C And P Tel Co Of MD	$ 22.80	$ 23.31	$ 31,737,034	$ 15,969,467	$ 40,605,254	$ 26,181,150	98%	199%	155%
VA	C And P Tel Co Of VA	$ 23.18	$ 24.98	$ 60,025,416	$ 41,766,623	$ 71,432,343	$ 56,046,318	93%	144%	127%
WV	C And P Tel Co Of W VA	$ 35.89	$ 36.39	$ 69,177,310	$ 62,325,112	$ 88,684,115	$ 76,923,339	99%	111%	115%
DC	C And P Telephone Company Of WA Dc	$ 16.84	$ 18.62	$ -	$ -	$ 568,593	$ -	90%		
DE	Diamond State Tel Co	$ 22.96	$ 24.62	$ 4,819,742	$ 3,744,074	$ 19,906,748	$ 6,278,463	93%	129%	317%
MA	New England Tel-MA	$ 21.52	$ 22.09	$ 12,999,099	$ 7,649,281	$ 15,867,026	$ 14,307,268	97%	170%	111%
ME	New England Tel-Maine	$ 31.54	$ 32.06	$ 40,719,480	$ 33,825,354	$ 49,305,919	$ 43,851,102	98%	120%	112%
NH	New England Tel-NH	$ 27.25	$ 28.05	$ 25,654,811	$ 17,915,483	$ 31,279,017	$ 24,074,748	97%	143%	130%
RI	New England Tel-RI	$ 21.70	$ 24.12	$ 1,551,698	$ 1,620,186	$ 3,149,093	$ 2,480,565	90%	96%	127%
VT	New England Tel-VT	$ 32.40	$ 33.91	$ 22,175,608	$ 18,576,967	$ 29,588,339	$ 24,829,014	96%	119%	119%
NJ	New Jersey Bell	$ 20.56	$ 20.14	$ 3,942,654	$ 1,026,480	$ 9,379,559	$ 5,606,312	102%	384%	167%
NY	New York Tel	$ 20.79	$ 21.74	$ 84,139,829	$ 58,661,566	$ 120,885,452	$ 88,917,799	96%	143%	136%
				$ 414,483,809	$ 298,140,427	$ 563,287,007	$ 426,407,108			
	GTE									
MO	Contel Missouri DBA GTE Missouri	$ 48.09	$ 56.71	$ 48,977,232	$ 63,278,358	$ 55,114,843	$ 67,245,274	85%	77%	82%
CA	Contel Of California - California	$ 33.35	$ 38.78	$ 29,597,713	$ 40,908,017	$ 32,983,149	$ 47,846,906	86%	72%	69%
IL	Contel Of Illinois Inc Dba GTE - Illinois	$ 42.63	$ 45.48	$ 28,644,372	$ 36,672,818	$ 28,984,037	$ 41,844,774	94%	78%	69%
IN	Contel Of Indiana Inc Dba GTE - Indiana	$ 40.12	$ 39.48	$ 18,237,858	$ 19,072,111	$ 22,838,815	$ 26,474,140	102%	96%	86%
MN	Contel Of Minnesota Inc Dba GTE Minnesota	$ 56.36	$ 63.94	$ 32,763,611	$ 42,298,963	$ 32,587,681	$ 45,531,582	88%	77%	72%
NC	Contel Of North Carolina Dba GTE No Carolina	$ 39.11	$ 44.27	$ 11,356,483	$ 14,563,405	$ 14,304,190	$ 17,431,476	88%	78%	82%
TX	Contel Of Texas Inc Dba GTE Texas	$ 60.95	$ 62.76	$ 77,418,486	$ 77,370,725	$ 80,984,669	$ 82,442,006	97%	100%	98%
AL	Contel Of The South Dba GTE South	$ 53.06	$ 49.84	$ 23,940,321	$ 24,434,760	$ 23,339,721	$ 27,072,018	106%	98%	86%
VA	Contel Of Virginia Inc Dba GTE Virginia	$ 30.35	$ 33.46	$ 30,308,206	$ 30,996,830	$ 33,146,823	$ 35,757,499	91%	98%	93%
AL	GTE And Contel Of Alabama	$ 39.78	$ 40.37	$ 18,090,724	$ 18,081,074	$ 22,236,084	$ 22,000,749	98%	100%	101%
IA	GTE And Contel Of Iowa	$ 48.97	$ 58.17	$ 23,797,715	$ 36,002,177	$ 28,422,630	$ 39,798,751	84%	66%	71%
FL	GTE Floridainc	$ 20.82	$ 23.90	$ 4,590,518	$ 4,256,293	$ 7,172,273	$ 7,655,002	87%	108%	94%
HI	GTE Hawaiian Telephone Co Inc	$ 22.69	$ 24.36	$ 15,387,188	$ 6,640,350	$ 15,690,447	$ 8,412,226	93%	232%	187%
MO	GTE North Inc - Missouri	$ 36.34	$ 39.35	$ 13,393,653	$ 14,964,470	$ 14,901,184	$ 17,126,760	92%	90%	87%
MI	GTE North Inc-MI	$ 34.19	$ 36.47	$ 41,389,034	$ 51,717,455	$ 50,604,211	$ 65,386,326	94%	80%	77%
OH	GTE North Inc-OH	$ 32.50	$ 34.84	$ 42,591,734	$ 53,188,009	$ 56,083,660	$ 68,834,267	93%	80%	81%
PA	GTE North Inc-PA and Contel	$ 26.89	$ 30.30	$ 11,771,453	$ 2,024,839	$ 18,562,172	$ 2,793,266	89%	581%	665%
WI	GTE North Inc-WI	$ 37.64	$ 42.71	$ 41,942,280	$ 60,962,072	$ 54,615,139	$ 76,074,367	88%	69%	72%
ID	GTE Northwest Inc - Idaho	$ 36.10	$ 46.45	$ 12,304,731	$ 20,076,305	$ 15,646,164	$ 25,171,275	78%	61%	62%
WA	GTE Northwest Inc - Washington	$ 23.64	$ 27.74	$ 13,295,424	$ 19,848,921	$ 16,373,824	$ 26,023,743	85%	67%	63%

			$ 19.21	$ 22.14	$ 9,404,795	$ 14,345,061		$ 15,121,882	$ 27,586,946		87%	66%	55%
			$ 33.90	$ 36.77	$ 49,507,362	$ 61,794,531		$ 58,188,073	$ 83,799,133		92%	86%	71%
	[illegible]iana		$ 26.99	$ 29.47	$ 21,388,408	$ 22,286,074		$ 24,575,884	$ 30,642,221		92%	98%	80%
	[illegible]f The Northwest		$ 26.62	$ 29.36	$ 14,406,679	$ 14,544,968		$ 16,367,030	$ 15,673,391		91%	99%	104%
	[illegible]TE South Inc - Kentucky		$ 28.53	$ 32.92	$ 16,787,175	$ 22,943,133		$ 23,948,198	$ 30,265,626		87%	73%	79%
	GTE South Inc - North Carolina		$ 22.35	$ 25.51	$ 1,198,163	$ 1,372,014		$ 1,816,687	$ 2,329,420		88%	87%	78%
	GTE South Inc - South Carolina		$ 29.10	$ 32.38	$ 7,808,096	$ 6,672,498		$ 9,983,020	$ 9,543,650		90%	117%	105%
OK	GTE Southwest Inc - Oklahoma		$ 34.65	$ 37.98	$ 9,655,183	$ 11,544,024		$ 10,294,188	$ 13,049,377		91%	84%	79%
TX	GTE Southwest Inc - Texas		$ 27.85	$ 34.63	$ 76,608,758	$ 130,058,907		$ 110,980,949	$ 152,317,586		80%	59%	73%
					$ 746,539,125	$ 922,919,161		$ 896,845,625	$ 1,116,129,757				
	U S WEST												
AZ	Mountain Bell-Arizona		$ 22.93	$ 27.49	$ 35,931,699	$ 65,341,173		$ 67,623,744	$ 78,102,357		83%	55%	87%
CO	Mountain Bell-Colorado		$ 25.02	$ 27.82	$ 54,850,895	$ 58,536,653		$ 83,833,281	$ 84,130,088		90%	94%	100%
ID	Mountain Bell-Idaho		$ 27.90	$ 32.66	$ 20,469,052	$ 25,071,808		$ 31,181,597	$ 36,357,762		85%	82%	86%
MT	Mountain Bell-Montana		$ 31.32	$ 42.30	$ 24,271,577	$ 39,741,958		$ 29,696,827	$ 52,912,307		74%	61%	56%
NM	Mountain Bell-New Mexico		$ 27.47	$ 31.85	$ 26,157,823	$ 35,740,221		$ 50,007,046	$ 51,331,678		86%	73%	97%
UT	Mountain Bell-Utah		$ 23.09	$ 25.72	$ 14,481,702	$ 12,272,497		$ 20,144,039	$ 19,174,094		90%	118%	106%
WY	Mountain Bell-Wyoming		$ 37.40	$ 45.87	$ 20,009,020	$ 31,744,208		$ 36,778,036	$ 47,038,477		82%	63%	78%
IA	Northwestern Bell-IA		$ 24.80	$ 29.31	$ 20,661,868	$ 28,599,145		$ 49,460,353	$ 46,006,499		85%	72%	108%
MN	Northwestern Bell-Minnesota		$ 24.65	$ 26.23	$ 48,874,493	$ 36,037,983		$ 76,029,039	$ 61,637,946		94%	136%	123%
NE	Northwestern Bell-Nebraska		$ 32.82	$ 31.18	$ 42,532,041	$ 32,552,590		$ 58,528,900	$ 42,547,084		106%	131%	138%
ND	Northwestern Bell-North Dakota		$ 26.61	$ 35.78	$ 12,160,724	$ 22,127,253		$ 19,841,783	$ 30,644,710		80%	55%	64%
SD	Northwestern Bell-South Dakota		$ 31.23	$ 38.97	$ 17,695,603	$ 27,574,307		$ 27,499,896	$ 37,855,751		80%	64%	73%
OR	Pacific Northwest Bell-Oregon		$ 24.10	$ 27.39	$ 17,885,461	$ 26,820,570		$ 35,987,897	$ 28,892,289		86%	67%	125%
WA	Pacific Northwest Bell-Washington		$ 22.36	$ 25.32	$ 21,716,084	$ 29,432,490		$ 35,018,850	$ 46,203,827		88%	74%	76%
					$ 377,698,043	$ 471,592,855		$ 621,431,267	$ 662,834,869				
	BELL SOUTH												
AL	South Central Bell-AL		$ 30.02	$ 30.98	$ 70,812,241	$ 61,153,353		$ 121,989,558	$ 93,475,650		97%	116%	131%
KY	South Central Bell-KY		$ 29.11	$ 31.25	$ 49,018,024	$ 53,755,232		$ 65,042,114	$ 73,061,417		93%	91%	89%
LA	South Central Bell-LA		$ 26.56	$ 29.12	$ 67,626,203	$ 67,991,740		$ 87,449,120	$ 93,495,899		91%	99%	94%
MS	South Central Bell-Mississippi		$ 37.09	$ 39.12	$ 112,130,933	$ 115,486,809		$ 183,032,183	$ 148,958,966		95%	97%	108%
TN	South Central Bell-TN		$ 27.13	$ 28.80	$ 62,508,980	$ 58,314,896		$ 108,727,079	$ 92,413,053		94%	107%	118%
FL	Southern Bell-FL		$ 21.13	$ 23.60	$ 22,225,051	$ 19,244,532		$ 36,357,349	$ 35,772,660		90%	115%	102%
GA	Southern Bell-GA		$ 24.33	$ 26.83	$ 44,275,148	$ 45,398,606		$ 86,068,636	$ 81,402,602		91%	98%	106%
NC	Southern Bell-NC		$ 24.47	$ 26.84	$ 23,848,863	$ 18,758,160		$ 43,284,887	$ 35,133,909		91%	126%	123%
SC	Southern Bell-SC		$ 26.35	$ 29.32	$ 20,543,310	$ 25,877,854		$ 39,881,788	$ 46,071,793		90%	79%	87%
					$ 472,784,412	$ 465,981,181		$ 749,820,545	$ 699,785,949				
	SBC												
AR	Southwestern Bell-Arkansas		$ 28.46	$ 34.48	$ 34,871,589	$ 52,051,355		$ 54,730,374	$ 68,807,695		83%	67%	80%
KS	Southwestern Bell-Kansas		$ 26.47	$ 31.28	$ 43,761,117	$ 60,196,983		$ 62,844,752	$ 86,239,785		85%	73%	73%
MO	Southwestern Bell-Missouri		$ 25.08	$ 27.07	$ 56,741,319	$ 52,535,705		$ 88,493,315	$ 74,350,288		93%	108%	119%
OK	Southwestern Bell-Oklahoma		$ 28.84	$ 31.47	$ 74,179,744	$ 70,410,234		$ 98,022,533	$ 95,995,701		92%	105%	102%
TX	Southwestern Bell-Texas		$ 22.84	$ 26.12	$ 121,734,709	$ 140,697,453		$ 199,553,559	$ 209,486,629		87%	87%	95%
NV	Nevada Bell		$ 29.98	$ 30.49	$ 26,086,418	$ 19,356,251		$ 25,237,805	$ 21,290,766		98%	135%	119%
CA	Pacific Bell		$ 19.89	$ 22.26	$ 59,808,368	$ 89,264,237		$ 99,930,461	$ 149,780,471		89%	67%	67%
					$ 417,183,263	$ 484,512,218		$ 628,612,499	$ 705,951,335				
	SPRINT												
TN	United Inter-mountain Tel Co-TN		$ 28.94	$ 30.79	$ 6,452,880	$ 6,231,493		$ 9,653,208	$ 8,487,749		94%	104%	114%
VA	United Inter-mountain Tel Co-VA		$ 41.38	$ 39.19	$ 16,706,011	$ 10,868,681		$ 23,556,130	$ 13,401,068		106%	154%	176%
FL	United Tel Co Of Florida		$ 25.01	$ 27.83	$ 15,887,551	$ 15,648,618		$ 30,889,931	$ 31,860,203		90%	102%	97%
IN	United Tel Co Of Indiana Inc		$ 37.99	$ 38.67	$ 19,837,665	$ 20,374,952		$ 22,757,232	$ 26,633,393		98%	97%	85%
NJ	United Tel Co Of NJ Inc		$ 27.07	$ 27.63	$ 1,747,993	$ 1,131,535		$ 2,357,426	$ 1,974,513		98%	154%	119%

		$ 33.02	$ 33.27	$ 30,624,716	$ 27,361,286		$ 43,240,277	$ 37,672,688		99%	112%	115%
		$ 33.44	$ 33.11	$ 22,090,835	$ 18,178,669		$ 26,703,830	$ 24,024,239		101%	122%	111%
	...e Co Of Minn	$ 34.30	$ 38.27	$ 10,613,413	$ 12,338,819		$ 12,688,329	$ 16,764,732		90%	86%	76%
	...phone Co Of Missouri	$ 39.76	$ 41.12	$ 26,303,879	$ 27,879,543		$ 34,756,290	$ 34,302,223		97%	94%	101%
	...elephone Co Of Texas Inc	$ 46.46	$ 48.57	$ 23,319,013	$ 26,226,413		$ 30,374,111	$ 31,502,921		96%	89%	96%
	...ntral Tel Co Of Florida	$ 29.47	$ 29.73	$ 20,897,348	$ 14,520,396		$ 25,768,902	$ 18,684,201		99%	144%	138%
	Central Tel Co Of IL	$ 23.79	$ 24.81	$ 4,699,850	$ 3,645,203		$ 5,134,191	$ 5,058,573		96%	129%	101%
	Central Tel Co Of VA	$ 39.98	$ 36.63	$ 33,438,641	$ 24,900,275		$ 41,277,406	$ 31,922,680		109%	134%	129%
...C	Central Tel Co-NC	$ 34.90	$ 31.53	$ 15,535,929	$ 7,957,317		$ 19,514,634	$ 12,135,530		111%	195%	161%
NV	Central Telephone Company - Nevada	$ 20.16	$ 21.85	$ 3,618,672	$ 3,580,363		$ 4,463,567	$ 3,718,566		92%	101%	120%
TX	Central Telephone Company Of Texas	$ 30.44	$ 32.92	$ 15,816,508	$ 15,179,664		$ 16,995,792	$ 17,400,468		92%	104%	98%
				$ 267,590,906	$ 236,023,227		$ 350,129,258	$ 315,543,747				
	OTHER NON-RURALS											
NC	Alltel Carolina Inc-north	$ 32.84	$ 33.32	$ 8,969,771	$ 6,432,176		$ 9,892,925	$ 8,816,669		99%	139%	112%
GA	Alltel Georgia Communications Corp	$ 37.79	$ 37.65	$ 22,049,979	$ 22,814,710		$ 29,193,196	$ 30,925,182		100%	97%	94%
OH	Alltel Ohio Inc	$ 28.60	$ 28.25	$ 3,983,352	$ 3,060,058		$ 3,845,099	$ 4,159,889		101%	130%	92%
PA	Alltel Pennsylvaniainc	$ 38.86	$ 37.19	$ 24,597,300	$ 20,508,190		$ 30,750,124	$ 24,963,717		104%	120%	123%
AK	Anchorage Tel Util	$ 23.46	$ 22.74	$ 2,682,024	$ 347,873		$ 3,558,048	$ 643,492		103%	828%	553%
NC	Carolina Tel And Tel Co	$ 37.47	$ 33.24	$ 86,636,226	$ 43,892,459		$ 117,178,567	$ 68,349,152		113%	198%	171%
KY	Cincinnati Bell-KY	$ 31.20	$ 26.90	$ 6,197,541	$ 3,729,401		$ 8,112,802	$ 4,838,859		118%	220%	168%
OH	Cincinnati Bell-Ohio	$ 24.71	$ 23.01	$ 3,217,391	$ 1,167,828		$ 5,880,253	$ 1,879,630		107%	278%	313%
NY	Citizens Telecom-NY	$ 31.22	$ 40.50	$ 28,332,997	$ 35,821,919		$ 28,883,751	$ 41,234,015		77%	79%	70%
PA	C-tec Corp	$ 37.49	$ 37.82	$ 20,882,024	$ 17,252,582		$ 23,234,916	$ 20,679,950		99%	121%	112%
MN	Frontier Comm Of Minnesota Inc	$ 37.29	$ 39.08	$ 11,238,786	$ 11,873,037		$ 12,655,253	$ 14,760,960		95%	95%	86%
NE	Lincoln Tel And Tele Co	$ 37.62	$ 38.98	$ 37,045,141	$ 34,770,514		$ 36,032,318	$ 39,053,176		97%	107%	92%
NC	North State Tel Co-NC	$ 24.83	$ 26.61	$ 348,115	$ 240,835		$ 748,413	$ 725,726		93%	145%	103%
PR	P R T C - Central	$ 31.22	$ 26.28	$ 1,604,693	$ 1,910		$ 3,383,651	$ 88,262		119%	84015%	3834%
PR	Puerto Rico Tel Co	$ 31.34	$ 23.77	$ 19,278,545	$ 517,267		$ 30,142,229	$ 4,188,567		132%	3727%	720%
NY	Rochester Telephone Corp	$ 25.64	$ 23.08	$ 6,316,683	$ 3,053,271		$ 8,474,090	$ 5,677,393		111%	207%	149%
CA	Roseville Telephone Company	$ 21.47	$ 22.12	$ -	$ -		$ -	$ 4,470		97%		0%
CT	Southern New England Tel	$ 23.16	$ 24.39	$ 7,552,149	$ 5,479,050		$ 24,106,240	$ 11,349,764		95%	138%	212%
WA	Telephone Utilities Of WA Inc	$ 48.01	$ 61.36	$ 29,983,012	$ 41,919,302		$ 32,792,762	$ 44,105,979		78%	71%	74%
OH	Western Reserve Tel Co	$ 30.35	$ 32.17	$ 6,815,570	$ 6,597,760		$ 6,757,553	$ 7,383,164		94%	103%	92%
				$ 330,090,298	$ 259,480,142		$ 415,632,190	$ 333,828,016				
	GRAND TOTALS			$ 3,148,023,109	$ 3,260,267,283	$ -	$ 4,410,272,601	$ 4,465,578,290				