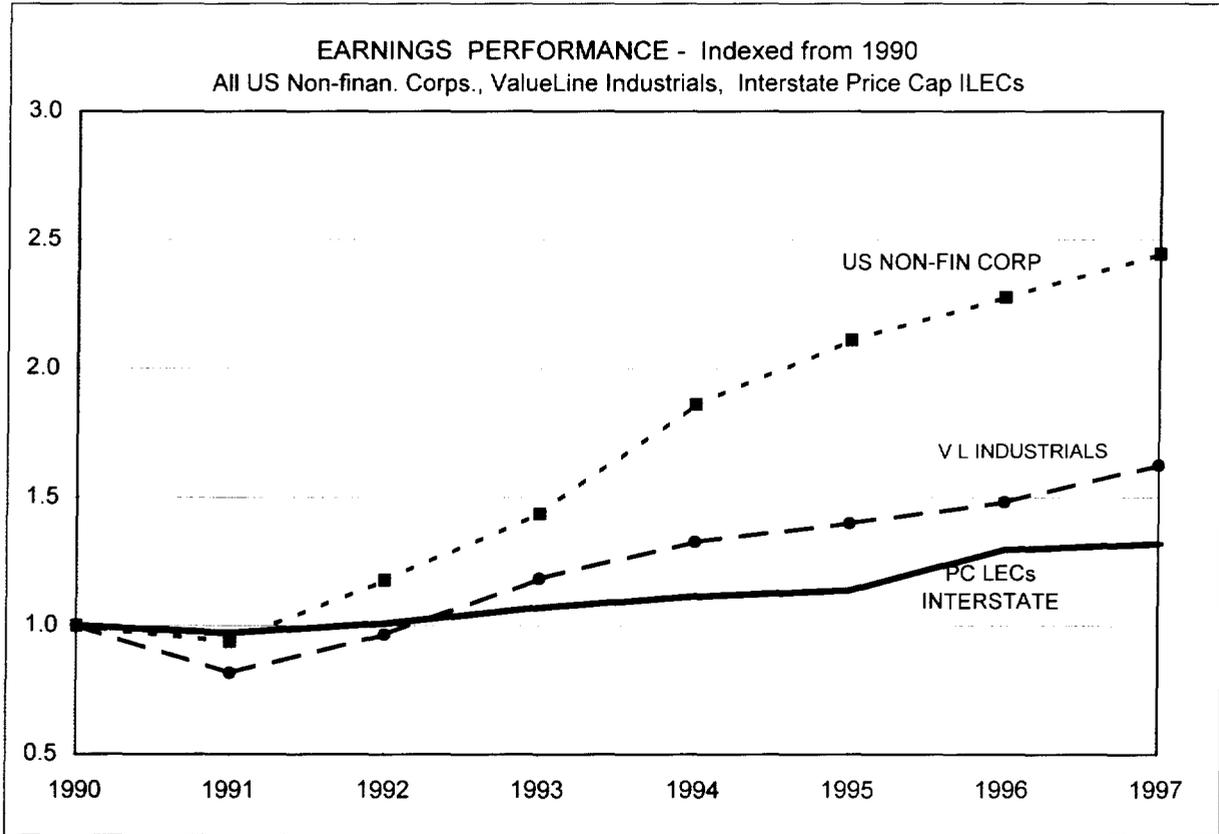


ATTACHMENT C

**USTA COMMENTS
CC DOCKET NO. 96-262
OCTOBER 26, 1998**

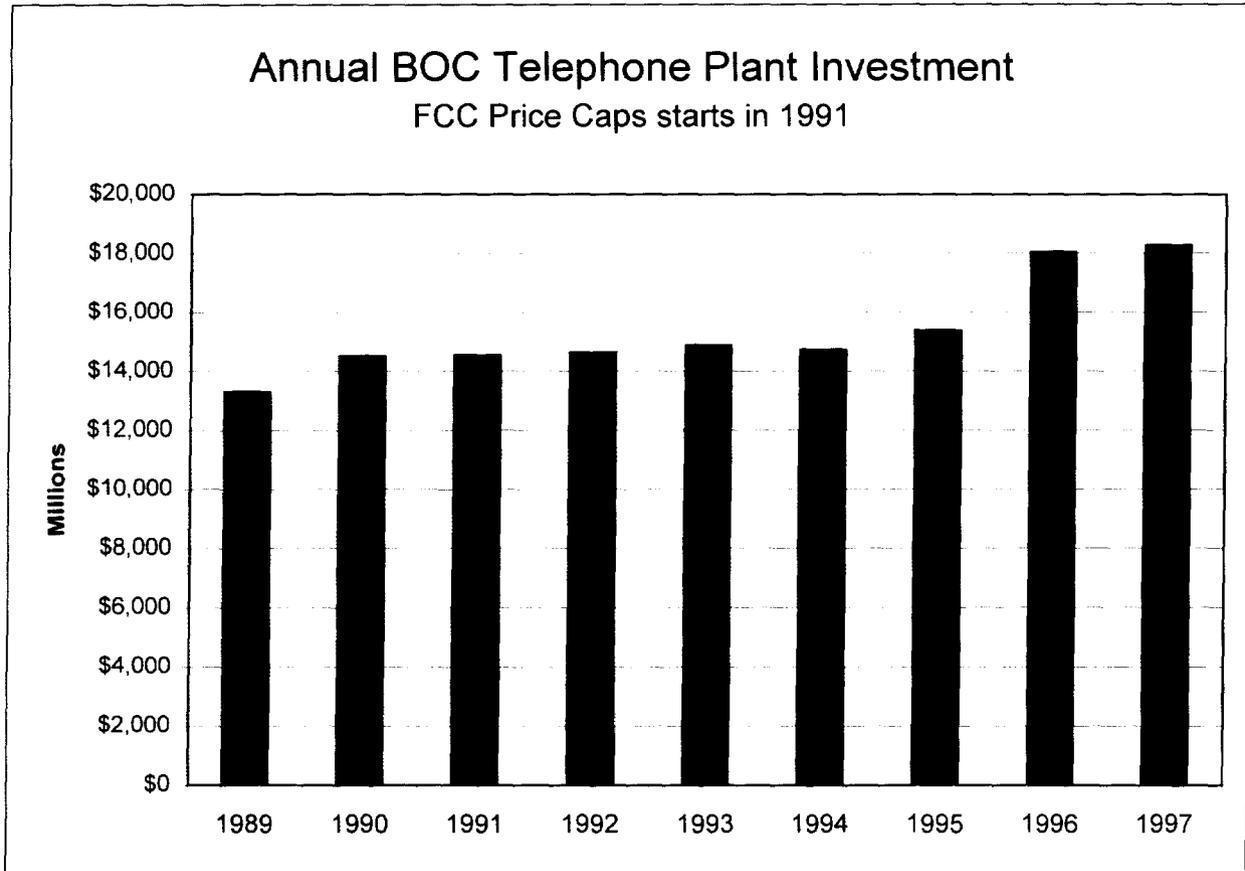
ANNUAL EARNINGS PERFORMANCE
PRICE CAP ILECS, ValueLine Industrial Composite, US Non-Finan. Corps.
 \$ MILLIONS

	P C ILECS			EARNINGS INDEX		
	Interstate	All U.S. Non-fin Corps	752 V.L. Industrials	Interstate P C ILECS	All U.S. Non-fin Corps	752 V.L. Industrials
1990	\$3,798	\$141,650	\$113,800	1990	1.000	1.000
1991	\$3,694	\$132,825	\$93,000	1991	0.973	0.938
1992	\$3,832	\$166,725	\$110,000	1992	1.009	1.177
1993	\$4,068	\$203,600	\$134,700	1993	1.071	1.437
1994	\$4,236	\$263,525	\$151,300	1994	1.115	1.860
1995	\$4,324	\$298,900	\$159,400	1995	1.138	2.110
1996	\$4,927	\$322,400	\$168,700	1996	1.297	2.276
1997	\$5,016	\$346,300	\$184,900	1997	1.321	2.445



ANNUAL TELEPHONE INVESTMENT
Telecommunications Plant in Service - Bell Operating ILECs
 \$ MILLIONS

1989	\$13,308
1990	\$14,513
1991	\$14,549
1992	\$14,640
1993	\$14,873
1994	\$14,724
1995	\$15,393
1996	\$18,040
1997	\$18,277



CAPITAL SPENDING AS PERCENT OF REVENUES
 BOC Telcos and Value Line Industrials Composite (752 Firms)
 [\$ Billions]

	Bell Operating Companies		Value Line Industrials		INVESTMENT PERCENT		
	Total Revenue	Plant Added	Total Revenue	Capital Spending	BOCs	V.L. Indus.	
1990	\$67.01	\$14.51	\$2,582,119	\$184,590	1990	21.66%	7.15%
1991	\$67.90	\$14.55	\$2,633,278	\$184,734	1991	21.43%	7.02%
1992	\$68.94	\$14.64	\$2,757,865	\$180,245	1992	21.24%	6.54%
1993	\$71.33	\$14.87	\$2,863,300	\$180,500	1993	20.85%	6.30%
1994	\$73.37	\$14.72	\$3,123,100	\$194,500	1994	20.07%	6.23%
1995	\$74.86	\$15.39	\$3,407,600	\$218,500	1995	20.56%	6.41%
1996	\$78.72	\$18.04	\$3,643,100	\$240,600	1996	22.92%	6.60%
1997	\$80.35	\$18.28	\$3,810,300	\$258,500	1997	22.75%	6.78%

