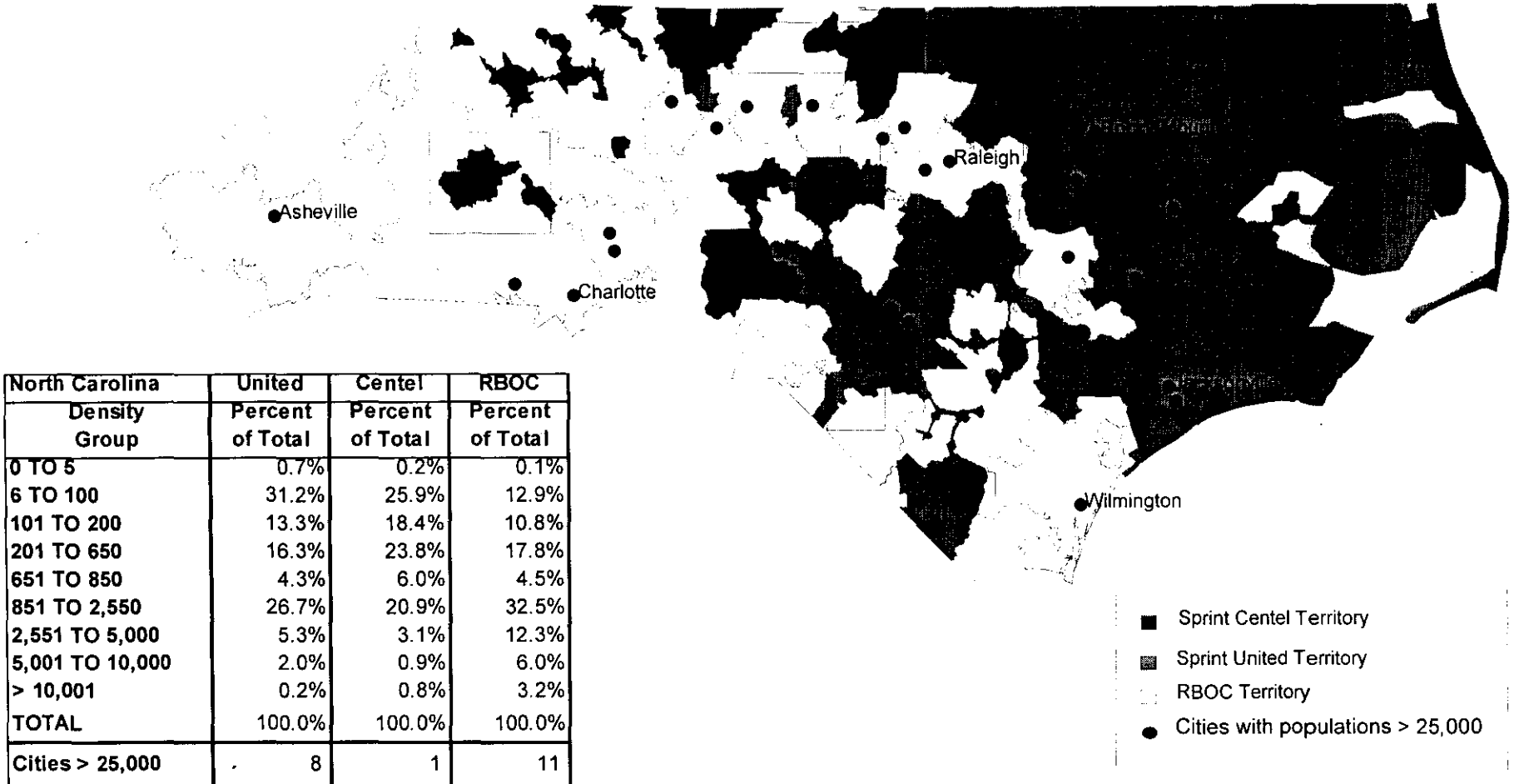
Sprint
One Size Fits All?

North Carolina



North Carolina Density Group	United Percent of Total	Centel Percent of Total	RBOC Percent of Total
0 TO 5	0.7%	0.2%	0.1%
6 TO 100	31.2%	25.9%	12.9%
101 TO 200	13.3%	18.4%	10.8%
201 TO 650	16.3%	23.8%	17.8%
651 TO 850	4.3%	6.0%	4.5%
851 TO 2,550	26.7%	20.9%	32.5%
2,551 TO 5,000	5.3%	3.1%	12.3%
5,001 TO 10,000	2.0%	0.9%	6.0%
> 10,001	0.2%	0.8%	3.2%
TOTAL	100.0%	100.0%	100.0%
Cities > 25,000	8	1	11
Sw Lines (000)	1,073	257	2,308

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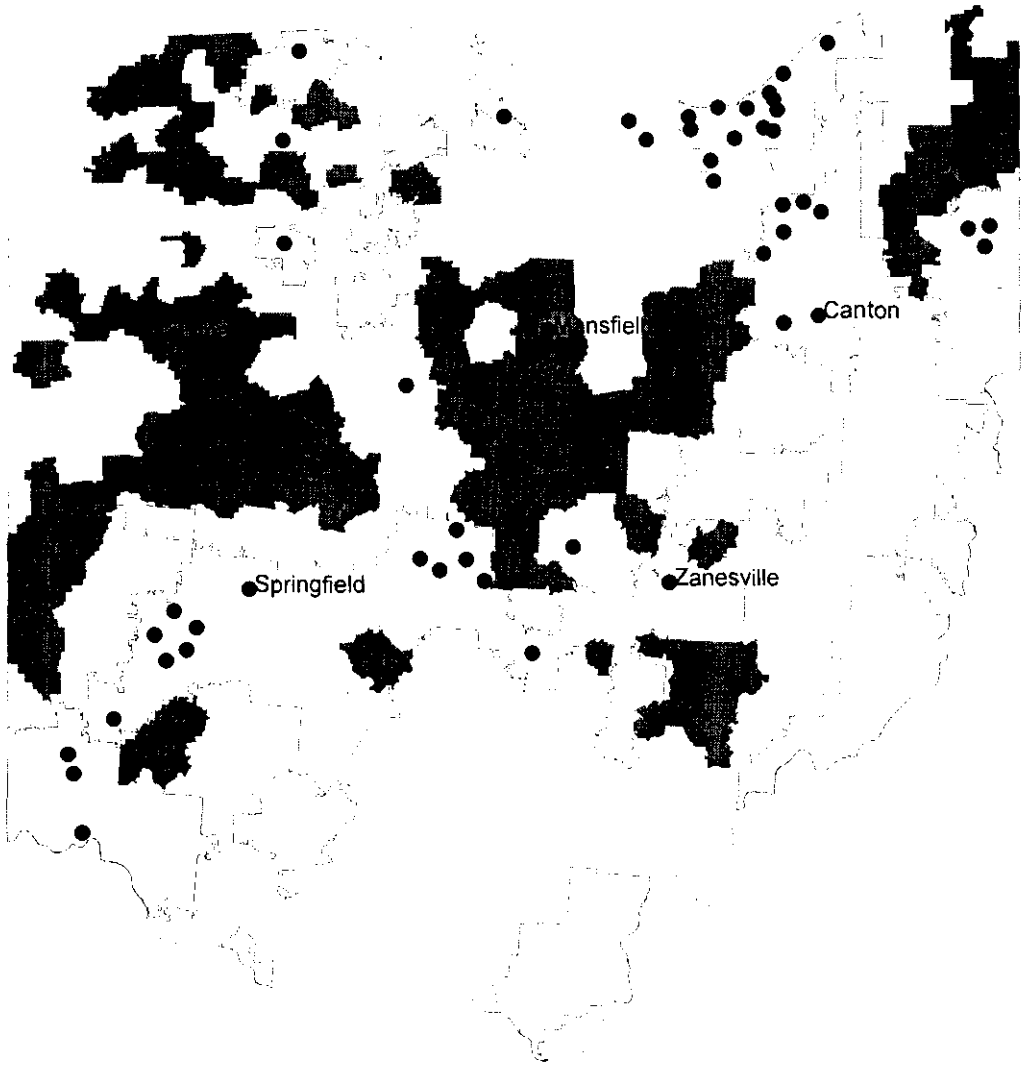
Ohio



- Sprint United Territory
- RBOC Territory
- Cities with populations > 25,000

Ohio Density Group	Sprint Percent of Total	RBOC Percent of Total
0 TO 5	0.2%	0.1%
6 TO 100	32.6%	5.1%
101 TO 200	14.3%	4.0%
201 TO 650	14.4%	9.9%
651 TO 850	4.1%	3.9%
851 TO 2,550	20.9%	30.4%
2,551 TO 5,000	9.2%	25.5%
5,001 TO 10,000	3.5%	14.2%
> 10,001	0.8%	7.0%
TOTAL	100.0%	100.0%
Cities > 25,000	3	43
Sw Lines (000)	582	3,932

Sprint
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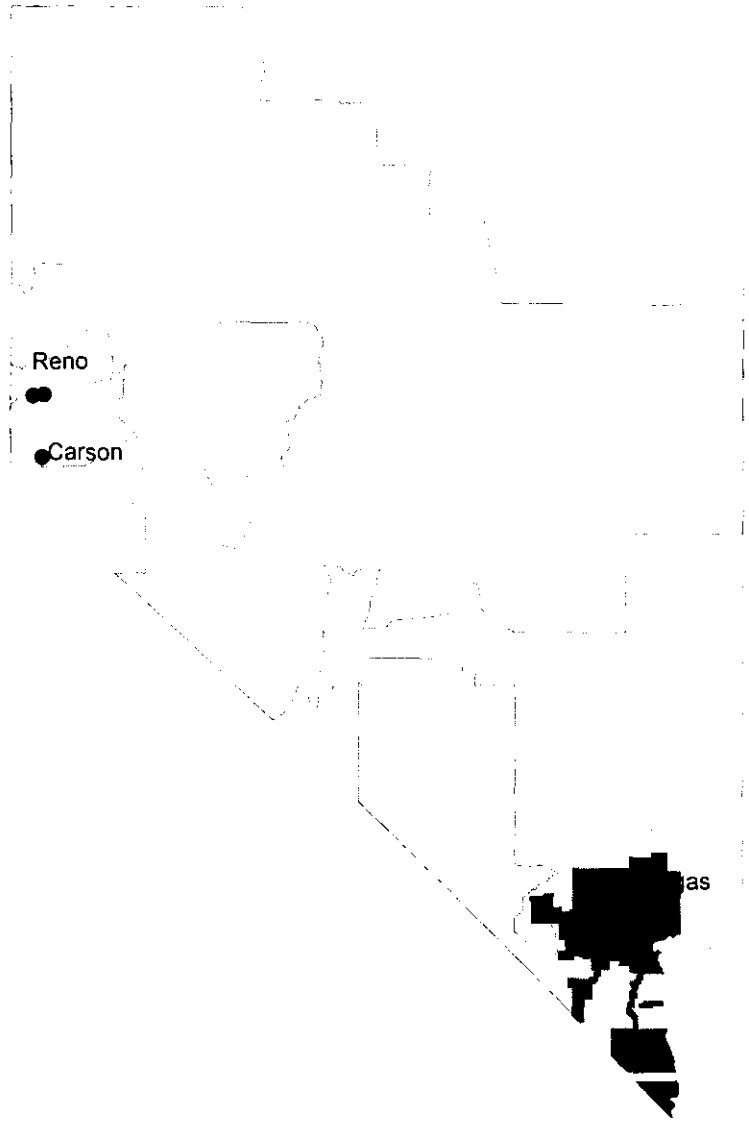
Nevada

- Sprint Centel Territory
- RBOC Territory
- Cities with populations > 25,000



Nevada	Centel	RBOC
Density Group	Percent of Total	Percent of Total
0 TO 5	0.2%	1.8%
6 TO 100	1.3%	10.6%
101 TO 200	1.3%	7.5%
201 TO 650	4.3%	6.9%
651 TO 850	1.4%	4.0%
851 TO 2,550	14.0%	21.3%
2,551 TO 5,000	26.6%	20.8%
5,001 TO 10,000	29.2%	17.8%
> 10,001	21.7%	9.4%
TOTAL	100.0%	100.0%
Cities > 25,000	6	3
Sw Lines (000)	796	326

Sprint
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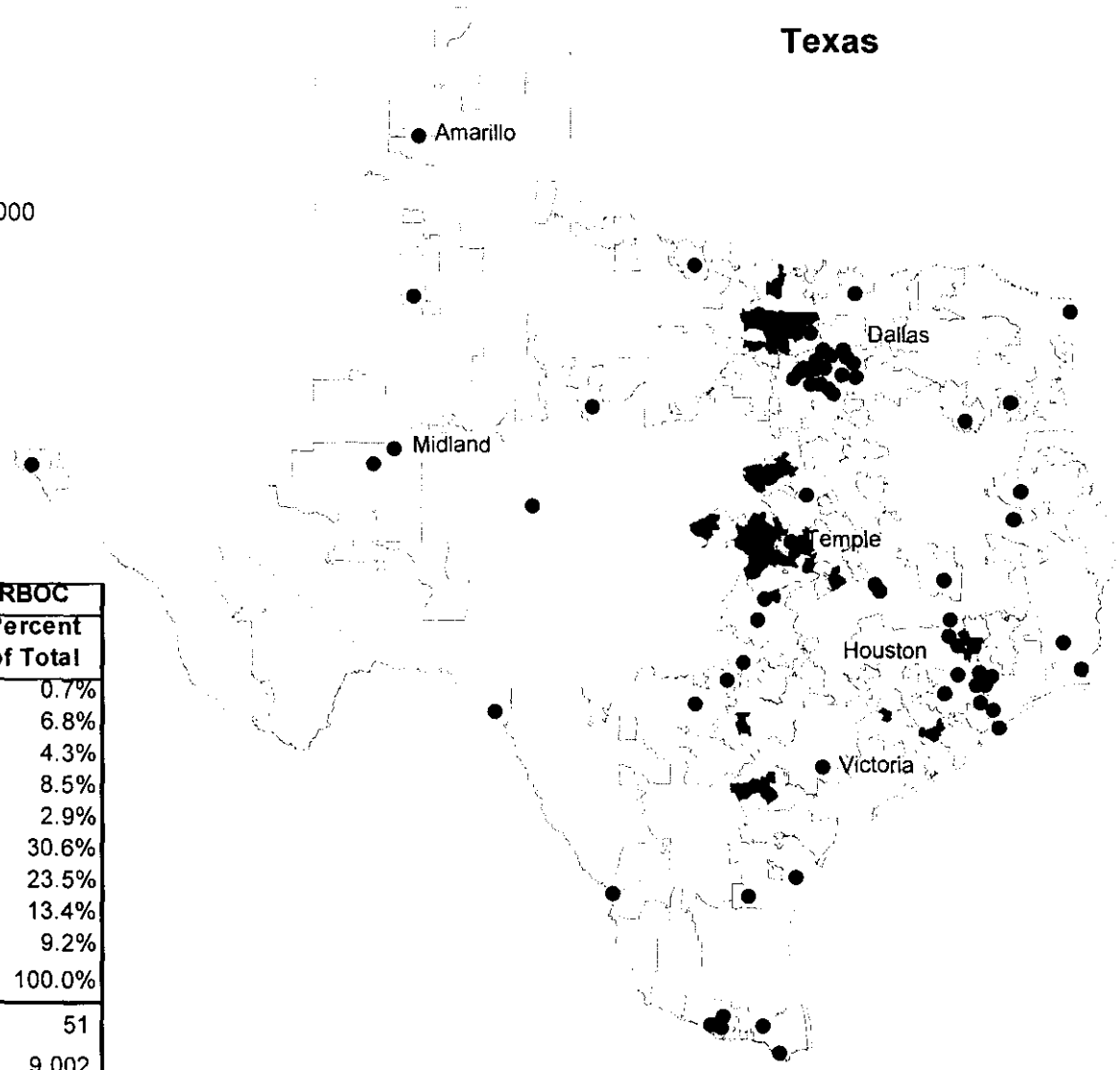
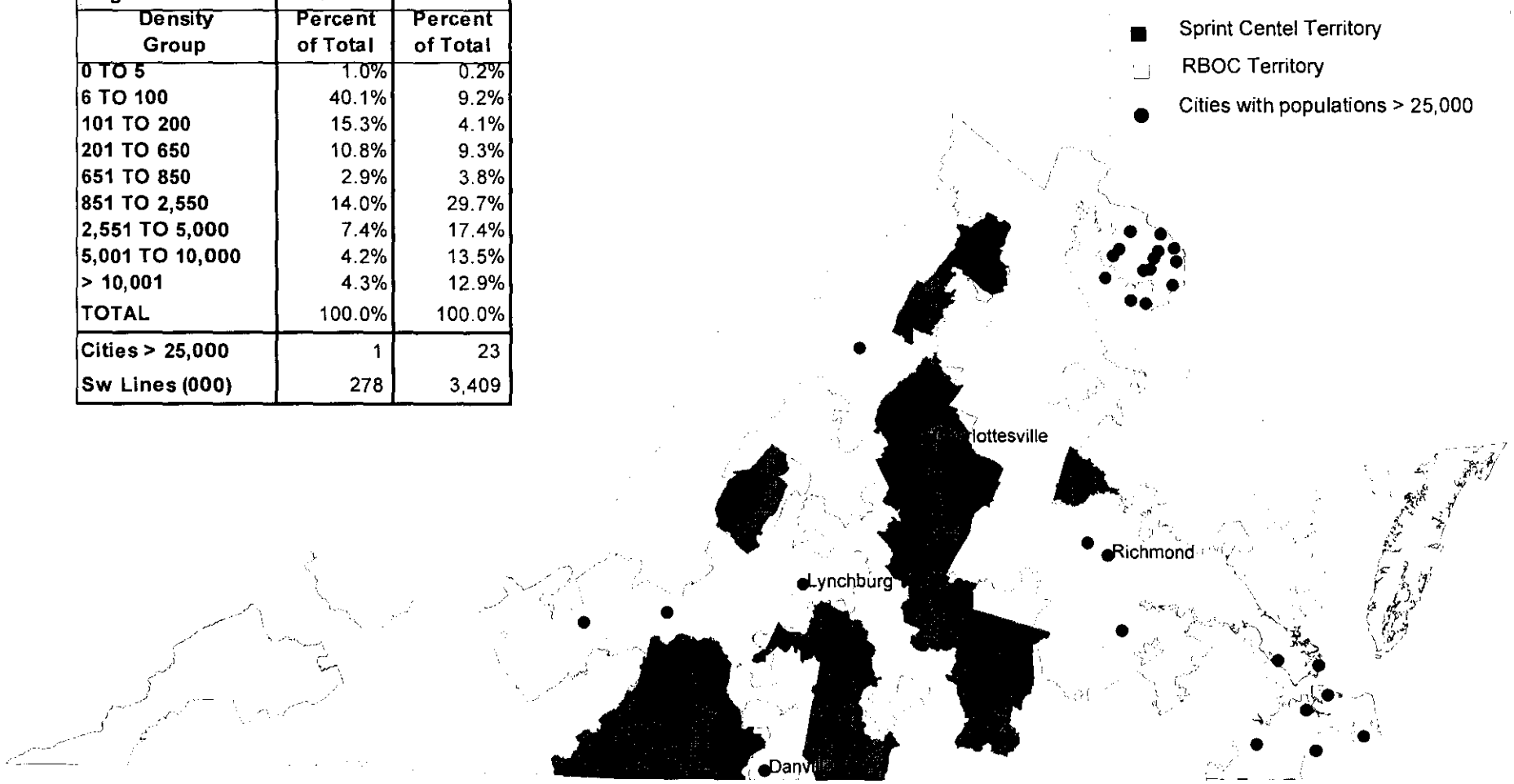


Texas	Centel	RBOC
Density Group	Percent of Total	Percent of Total
0 TO 5	3.2%	0.7%
6 TO 100	16.7%	6.8%
101 TO 200	9.9%	4.3%
201 TO 650	12.9%	8.5%
651 TO 850	4.3%	2.9%
851 TO 2,550	28.1%	30.6%
2,551 TO 5,000	13.3%	23.5%
5,001 TO 10,000	9.3%	13.4%
> 10,001	2.3%	9.2%
TOTAL	100.0%	100.0%
Cities > 25,000	3	51
Sw Lines (000)	204	9,002

Sprint
One Size Fits All?

Virginia	Centel	RBOC
Density Group	Percent of Total	Percent of Total
0 TO 5	1.0%	0.2%
6 TO 100	40.1%	9.2%
101 TO 200	15.3%	4.1%
201 TO 650	10.8%	9.3%
651 TO 850	2.9%	3.8%
851 TO 2,550	14.0%	29.7%
2,551 TO 5,000	7.4%	17.4%
5,001 TO 10,000	4.2%	13.5%
> 10,001	4.3%	12.9%
TOTAL	100.0%	100.0%
Cities > 25,000	1	23
Sw Lines (000)	278	3,409

Virginia



Aerial Copper	Sprint Material	Sprint Engineering	Sprint Splicing	Sprint Total	NRRI Study Material (No Discount)	NRRI Study Engineering	NRRI Study Splicing	NRRI Study Total	Material Cost Differences $ Varaince	Material Cost Differences % Variance	Total Cost $ Varaince	Total Cost % Variance
12	$ 2.08	$ 0.80	$ 0.08	$ 2.95	$ 1.14	$ 0.11	$ 0.11	$ 1.36	$ 0.94	45%	$ 1.60	54%
25	$ 2.25	$ 0.80	$ 0.16	$ 3.21	$ 1.26	$ 0.13	$ 0.12	$ 1.51	$ 0.99	44%	$ 1.70	53%
50	$ 2.51	$ 0.80	$ 0.32	$ 3.63	$ 1.51	$ 0.15	$ 0.14	$ 1.80	$ 1.01	40%	$ 1.83	50%
100	$ 3.07	$ 0.80	$ 0.63	$ 4.50	$ 1.99	$ 0.20	$ 0.19	$ 2.38	$ 1.08	35%	$ 2.12	47%
200	$ 4.03	$ 0.80	$ 1.27	$ 6.09	$ 2.96	$ 0.30	$ 0.28	$ 3.54	$ 1.07	27%	$ 2.56	42%
300	$ 5.10	$ 0.80	$ 1.90	$ 7.80	$ 3.93	$ 0.39	$ 0.37	$ 4.69	$ 1.17	23%	$ 3.10	40%
400	$ 5.97	$ 0.80	$ 2.53	$ 9.30	$ 4.90	$ 0.49	$ 0.46	$ 5.85	$ 1.07	18%	$ 3.45	37%
600	$ 9.26	$ 0.80	$ 3.80	$ 13.86	$ 6.84	$ 0.68	$ 0.64	$ 8.16	$ 2.42	26%	$ 5.70	41%
900	$ 11.55	$ 0.80	$ 5.70	$ 18.04	$ 9.74	$ 0.97	$ 0.92	$ 11.63	$ 1.80	16%	$ 6.41	36%
1200	$ 13.92	$ 0.80	$ 7.60	$ 22.32	$ 12.65	$ 1.27	$ 1.19	$ 15.11	$ 1.27	9%	$ 7.21	32%
1800	$ 20.85	$ 0.80	$ 11.40	$ 33.05	$ 18.47	$ 1.85	$ 1.74	$ 22.05	$ 2.39	11%	$ 11.00	33%

Buried Copper	Sprint Material	Sprint Engineering	Sprint Splicing	Sprint Total	NRRI Study Material (No Discount)	NRRI Study Engineering	NRRI Study Splicing	NRRI Study Total	Material Cost Differences $ Varaince	Material Cost Differences % Variance	Total Cost $ Varaince	Total Cost % Variance
6	$ 0.44	$ 0.63	$ 0.02	$ 1.09	$ 0.86	$ 0.09	$ 0.08	$ 1.03	$ (0.43)	-98%	$ 0.05	5%
12	$ 0.55	$ 0.63	$ 0.04	$ 1.22	$ 0.93	$ 0.09	$ 0.09	$ 1.11	$ (0.38)	-69%	$ 0.11	9%
25	$ 0.66	$ 0.63	$ 0.08	$ 1.36	$ 1.07	$ 0.11	$ 0.10	$ 1.28	$ (0.41)	-63%	$ 0.09	6%
50	$ 0.94	$ 0.63	$ 0.15	$ 1.72	$ 1.33	$ 0.13	$ 0.13	$ 1.59	$ (0.39)	-42%	$ 0.13	8%
100	$ 1.55	$ 0.63	$ 0.30	$ 2.48	$ 1.87	$ 0.19	$ 0.18	$ 2.23	$ (0.32)	-21%	$ 0.25	10%
200	$ 2.75	$ 0.63	$ 0.60	$ 3.98	$ 2.93	$ 0.29	$ 0.28	$ 3.50	$ (0.18)	-6%	$ 0.48	12%
300	$ 3.99	$ 0.63	$ 0.90	$ 5.52	$ 4.00	$ 0.40	$ 0.38	$ 4.78	$ (0.01)	0%	$ 0.74	13%
400	$ 4.99	$ 0.63	$ 1.20	$ 6.82	$ 5.06	$ 0.51	$ 0.49	$ 6.05	$ (0.07)	-1%	$ 0.77	11%
600	$ 7.05	$ 0.63	$ 1.80	$ 9.48	$ 7.19	$ 0.72	$ 0.69	$ 8.60	$ (0.14)	-2%	$ 0.88	9%
900	$ 9.99	$ 0.63	$ 2.70	$ 13.32	$ 10.39	$ 1.04	$ 1.00	$ 12.42	$ (0.40)	-4%	$ 0.90	7%
1200	$ 13.38	$ 0.63	$ 3.60	$ 17.61	$ 13.58	$ 1.36	$ 1.30	$ 16.24	$ (0.20)	-2%	$ 1.37	8%
1800	$ 22.37	$ 0.63	$ 5.40	$ 28.40	$ 19.97	$ 2.00	$ 1.92	$ 23.89	$ 2.40	11%	$ 4.52	16%
2100	$ 22.73	$ 0.63	$ 6.30	$ 29.67	$ 23.17	$ 2.32	$ 2.22	$ 27.71	$ (0.44)	-2%	$ 1.96	7%
2400	$ 26.28	$ 0.63	$ 7.20	$ 34.11	$ 26.36	$ 2.64	$ 2.53	$ 31.53	$ (0.09)	0%	$ 2.58	8%

Underground Copper	Sprint Material	Sprint Engineering	Sprint Splicing	Sprint Total	NRRI Study Material (No Discount)	NRRI Study Engineering	NRRI Study Splicing	NRRI Study Total	Material Cost Differences $ Varaince	Material Cost Differences % Variance	Total Cost $ Varaince	Total Cost % Variance
6	$ 2.60	$ 1.19	$ 0.02	$ 3.81	$ 1.83	$ 0.18	$ 0.17	$ 2.18	$ 0.77	30%	$ 1.63	43%
25	$ 2.82	$ 1.19	$ 0.10	$ 4.11	$ 2.13	$ 0.21	$ 0.20	$ 2.54	$ 0.69	24%	$ 1.57	38%
50	$ 3.06	$ 1.19	$ 0.20	$ 4.45	$ 2.53	$ 0.25	$ 0.24	$ 3.02	$ 0.53	17%	$ 1.43	32%
100	$ 3.51	$ 1.19	$ 0.40	$ 5.10	$ 3.33	$ 0.33	$ 0.31	$ 3.97	$ 0.19	5%	$ 1.13	22%
200	$ 4.66	$ 1.19	$ 0.79	$ 6.64	$ 4.92	$ 0.49	$ 0.46	$ 5.87	$ (0.26)	-6%	$ 0.77	12%
300	$ 5.33	$ 1.19	$ 1.19	$ 7.72	$ 6.51	$ 0.65	$ 0.61	$ 7.78	$ (1.18)	-22%	$ (0.06)	-1%
400	$ 6.37	$ 1.19	$ 1.59	$ 9.15	$ 8.11	$ 0.81	$ 0.76	$ 9.68	$ (1.73)	-27%	$ (0.53)	-6%
600	$ 8.03	$ 1.19	$ 2.38	$ 11.60	$ 11.30	$ 1.13	$ 1.06	$ 13.49	$ (3.27)	-41%	$ (1.89)	-16%
900	$ 10.47	$ 1.19	$ 3.57	$ 15.23	$ 16.08	$ 1.61	$ 1.51	$ 19.20	$ (5.61)	-54%	$ (3.96)	-26%
1200	$ 13.77	$ 1.19	$ 4.77	$ 19.73	$ 20.86	$ 2.09	$ 1.96	$ 24.90	$ (7.09)	-51%	$ (5.18)	-26%
1800	$ 17.89	$ 1.19	$ 7.15	$ 26.22	$ 30.42	$ 3.04	$ 2.86	$ 36.32	$ (12.54)	-70%	$ (10.10)	-39%
2100	$ 22.08	$ 1.19	$ 8.34	$ 31.61	$ 35.20	$ 3.52	$ 3.31	$ 42.03	$ (13.13)	-59%	$ (10.42)	-33%
2400	$ 24.15	$ 1.19	$ 9.53	$ 34.88	$ 39.98	$ 4.00	$ 3.76	$ 47.74	$ (15.83)	-66%	$ (12.87)	-37%

FNPRM Attachment (3)

Aerial Fiber	Sprint Material	Sprint Engineering	Sprint Splicing	Sprint Total	NRRI Study Material (No Discount)	NRRI Study Engineering	NRRI Study Splicing	NRRI Study Total	Material Cost Differences $ Varaince	Material Cost Differences % Variance	Total Cost $ Varaince	Total Cost % Variance
12	$ 2.04	$ 0.30	$ 0.03	$ 2.37	$ 1.38	$ 0.14	$ 0.06	$ 1.58	$ 0.66	32%	$ 0.79	33%
24	$ 2.43	$ 0.30	$ 0.06	$ 2.79	$ 1.80	$ 0.18	$ 0.08	$ 2.07	$ 0.63	26%	$ 0.73	26%
36	$ 2.87	$ 0.30	$ 0.09	$ 3.26	$ 2.22	$ 0.22	$ 0.10	$ 2.55	$ 0.65	23%	$ 0.71	22%
48	$ 3.22	$ 0.30	$ 0.11	$ 3.64	$ 2.64	$ 0.26	$ 0.12	$ 3.03	$ 0.58	18%	$ 0.61	17%
60	$ 3.54	$ 0.30	$ 0.14	$ 3.99	$ 3.06	$ 0.31	$ 0.14	$ 3.51	$ 0.48	13%	$ 0.47	12%
72	$ 4.05	$ 0.30	$ 0.17	$ 4.53	$ 3.48	$ 0.35	$ 0.16	$ 4.00	$ 0.57	14%	$ 0.53	12%
96	$ 4.83	$ 0.30	$ 0.23	$ 5.37	$ 4.32	$ 0.43	$ 0.20	$ 4.96	$ 0.51	10%	$ 0.40	8%
144	$ 6.31	$ 0.30	$ 0.34	$ 6.96	$ 6.01	$ 0.60	$ 0.28	$ 6.89	$ 0.30	5%	$ 0.07	1%

Buried Fiber	Sprint Material	Sprint Engineering	Sprint Splicing	Sprint Total	NRRI Study Material (No Discount)	NRRI Study Engineering	NRRI Study Splicing	NRRI Study Total	Material Cost Differences $ Varaince	Material Cost Differences % Variance	Total Cost $ Varaince	Total Cost % Variance
12	$ 1.21	$ 0.58	$ 0.04	$ 1.82	$ 1.05	$ 0.11	$ 0.05	$ 1.21	$ 0.15	13%	$ 0.61	34%
24	$ 1.59	$ 0.58	$ 0.08	$ 2.25	$ 1.51	$ 0.15	$ 0.07	$ 1.73	$ 0.08	5%	$ 0.51	23%
36	$ 2.20	$ 0.58	$ 0.12	$ 2.89	$ 1.96	$ 0.20	$ 0.09	$ 2.25	$ 0.23	11%	$ 0.64	22%
48	$ 2.59	$ 0.58	$ 0.15	$ 3.32	$ 2.42	$ 0.24	$ 0.11	$ 2.77	$ 0.17	7%	$ 0.55	17%
60	$ 2.93	$ 0.58	$ 0.19	$ 3.70	$ 2.87	$ 0.29	$ 0.14	$ 3.30	$ 0.06	2%	$ 0.41	11%
72	$ 3.49	$ 0.58	$ 0.23	$ 4.30	$ 3.33	$ 0.33	$ 0.16	$ 3.82	$ 0.16	5%	$ 0.48	11%
96	$ 4.66	$ 0.58	$ 0.31	$ 5.55	$ 4.24	$ 0.42	$ 0.20	$ 4.86	$ 0.42	9%	$ 0.69	12%

Underground Fiber	Sprint Material	Sprint Engineering	Sprint Splicing	Sprint Total	NRRI Study Material (No Discount)	NRRI Study Engineering	NRRI Study Splicing	NRRI Study Total	Material Cost Differences $ Varaince	Material Cost Differences % Variance	Total Cost $ Varaince	Total Cost % Variance
12	$ 2.96	$ 0.74	$ 0.10	$ 3.79	$ 2.46	$ 0.25	$ 0.12	$ 2.82	$ 0.50	17%	$ 0.97	26%
24	$ 3.40	$ 0.74	$ 0.19	$ 4.33	$ 2.82	$ 0.28	$ 0.13	$ 3.24	$ 0.58	17%	$ 1.09	25%
36	$ 3.96	$ 0.74	$ 0.29	$ 4.98	$ 3.19	$ 0.32	$ 0.15	$ 3.65	$ 0.78	20%	$ 1.33	27%
48	$ 4.31	$ 0.74	$ 0.38	$ 5.42	$ 3.55	$ 0.35	$ 0.17	$ 4.07	$ 0.76	18%	$ 1.35	25%
60	$ 4.59	$ 0.74	$ 0.48	$ 5.80	$ 3.91	$ 0.39	$ 0.18	$ 4.49	$ 0.68	15%	$ 1.32	23%
72	$ 5.12	$ 0.74	$ 0.57	$ 6.43	$ 4.27	$ 0.43	$ 0.20	$ 4.90	$ 0.85	17%	$ 1.53	24%
96	$ 6.28	$ 0.74	$ 0.76	$ 7.78	$ 5.00	$ 0.50	$ 0.23	$ 5.73	$ 1.28	20%	$ 2.04	26%
144	$ 8.12	$ 0.74	$ 1.15	$ 10.00	$ 6.45	$ 0.64	$ 0.30	$ 7.40	$ 1.67	21%	$ 2.60	26%

FNPRM Attachment Four (4)

Underground Structure Costs

Company	Structure Cost per foot
Kansas	4.35
Missouri	13.38
Nebraska	4.25
Oregon	8.47
Pennsylvania	7.73
South Carolina	9.15
Tennessee	5.74
Virginia – Central	12.77
Virginia – United	8.04
Washington	8.47
Wyoming	4.27

Buried Structure Costs

Density Zone	Structure Cost per foot
1	1.51
2	2.29
3	3.07
4	3.85
5	4.62
6	5.40
7	6.18
8	6.96
9	7.74

FNPRM Attachment Five (5)

DMS-100 INDUSTRY AND REGULATORY UPGRADE DRIVERS

Year	Mandate	Switching Cost Impacts
1992	800 Portability &: Line Information Database (LIDB)	Required SS7 connectivity at access tandem level to meet post dial delay mandates from Docket 86-10. Both projects drove major switch upgrades.
1993	Feature Group B CIC code expansion	Impacted all tandem switches. Required upgrade to BCS34; this in turn required additional software.
1995	Interchangeable NPAs implemented due to NANPA code exhausts	Required upgrades to all switches. Tandem offices with Operator Service capabilities particularly impacted where table limitations occurred.
1995	Feature Group D CIC code expansion	Impacted all Equal Access capable switches. Drove switches to BCS36 baseline. XPM upgrades to switch peripherals required with software upgrade.
1995	888 Code expansion	Impacted all switches, software upgrades required to handle new SAC queries.
1995	GR-303 Generic Next Generation Digital Loop Carrier interface, consistent with forward-looking loop investment specifications.	Required new ESMA peripheral hardware and Software RTU per ESMA.
1996	International Direct Digit Dialing expansion to 15 digits	IDDD required all switches to be at NA004 with associated software upgrades.
1997	Carrier Identification Parameter (CIP) required to identify second carrier codes handled by primary carrier	Required upgrade to obtain CIP software, LOC0002.
1997	IntraLATA Equal Access Implementation	Required upgrade to NA006 and insertion of Two-PIC software, EQA00015.
1997	Local Number Portability implementation order from the 1996 Telecommunications Act required LNP implementation by 12-31-98 in top 100 MSAs.	Required software upgrades to NA008 plus purchase and installation of LNP specific packages, AIN002, AIN00026, AIN0006, AIN0007, AIN0009, and LNP0100.
1998	Flexible ANI implementation mandate required to facilitate a two digit ANI code identifying payphone owners for carrier compensation purposes.	Required software upgrade to NTS00025.

FNPRM Attachment Six (6)

ANALYSIS OF THE DATA SET AND REGRESSION MODEL PROPOSED

Sprint conducted regression analysis on the two data sets (depreciation and RUS) individually. The regression equation used is as follows:

$$\text{Switch Cost} = \beta_0 + \beta_1(\text{lines}) + \beta_2(\text{host}) + \beta_3(1/\text{time}) + \beta_4(1/\text{time}*\text{lines}) + \beta_5(1/\text{time}*\text{host}) + e$$

The variable "host" is set up as a binomial (dummy) variable. The value is either 1 for "host switch," or 0 for a "remote switch."

***THIS IS A PRINTOUT OF THE FCC RUS DATA SET n=139.**

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.86812575
R Square	0.75364231
Adjusted R Square	0.74438074
Standard Error	128669.317
Observations	**139**

ANOVA

	Df	*SS*	*MS*	*F*	*Significance F*
Regression	5	6.73598E+12	1.3472E+12	81.3730867	9.56679E-39
Residual	133	2.20192E+12	1.6556E+10		
Total	138	8.9379E+12			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*
Intercept	-522982.01	459747.0226	-1.13754301	0.25735652	-1432343.225
Lines	**1533.82625**	803.7613178	**1.90831061**	0.05850608	-55.98146888
Host	**-115972.3**	981010.164	**-0.11821722**	0.9060739	-2056371.142
1/time	**7492789.52**	5113067.183	**1.46541973**	0.14516652	-2620652.758
1/time*lines	**-15968.408**	8851.115092	**-1.80411262**	0.07347671	-33475.55993
1/time*host	**6480334.56**	11066754.32	**0.58556776**	0.5591583	-15409262.63

The regression results from the RUS data set (n=139) are less than desirable. When using a 5% level of significance, no variable proves to be significantly explaining switch costs in this model. However, by using theory and intuition, we know at least the 'lines' or 'host' variables should be significant. The adjusted R-squared value is .7443 which is relatively high. However, no variables are significant. This is classical evidence to support an argument for multicollinearity.

Regression analysis was also conducted on the Depreciation data set (n=921) using the same functional form. The results are as follows:

*THIS IS A PRINTOUT FOR THE FCC DEPRECIATION DATA SET
SUMMARY OUTPUT n=921

Regression Statistics	
Multiple R	0.8739141
R Square	0.76372585
Adjusted R Square	0.76243474
Standard Error	1968248.6
Observations	921

ANOVA

	Df	*SS*	*MS*	*F*	*Significance F*
Regression	5	1.14578E+16	2.29E+15	591.524	1.0752E-283
Residual	915	3.54471E+15	3.87E+12		
Total	920	1.50025E+16			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*
Intercept	272173.039	456737.9654	0.595906	0.551385	-624203.6439
Lines	-14.9052131	23.19582784	**-0.64258**	0.520657	-60.42846885
Host	-396104.056	857707.9808	**-0.46182**	0.644322	-2079409.35
1/time	121348.335	3260052.025	**0.037223**	0.970315	-6276706.661
1/time*lines	1411.56556	186.8640372	7.553971	1.02E-13	1044.833257
1/time*host	8889846.03	6302962.554	**1.410423**	0.158755	-3480110.259

The coefficient of determination (adjusted R-squared) appears to be acceptable. However, once again, at a 5% level of significance, only the '1/time*lines' variable is

significant. By using theory and intuition, the 'lines' variable by itself should be much more significant than it is (t-stat = -0.642). The data in the Commission's proposed data set or the proposed regression equation appears to be severely tainted.

Sprint conducted regression analysis on the combined data set (n=1060). It is Sprint's belief that the data set contains severe multicollinearity. In other words, at least two of the independent variables are linearly dependent on each other. If multicollinearity exists and the adjusted R-squared is high (for a multiple regression) the high R-squared may be the result of a mis-specified model that carries redundant independent variables. Sprint used SAS's VIF procedure to obtain the Variance Inflationary Factors. The decision rule used when obtaining VIF is: "any VIFs greater than 10 are considered detrimental."[2] A VIF greater than 10 severely contaminates the regression.

For more information on multicollinearity, consult any econometrics text. After the two data sets were combined, the following results were obtained.

The variables are as follows: **t**=(1/time) **switch**=1 if host, 0 if remote
adjcost=adjusted (indexed) cost

*THIS IS THE FCC'S REGRESSION RESULTS (TOTAL)
n=1060
SUMMARY
OUTPUT

Regression Statistics	
Multiple R	0.8828394
R Square	0.7794054
Adjusted R Square	0.7783589
Standard Error	1834890.1
Observations	1060

ANOVA

	Df	*SS*	*MS*	*F*	*Significance F*

[2] Studenmund, A.H., *Using Econometrics, Ed. III,* 1997, pp. 264-328.

Regression	5	1.2538E+16	2.5076E+15	744.798964	0
Residual	1054	3.54863E+15	3.3668E+12		
Total	1059	1.60867E+16			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	**VIF**
Intercept	96612.706	311318.7826	0.31033369	0.75636857	-514262.186	
Lines	-13.087368	20.57864384	-0.6359684	0.52493505	-53.4671253	**55.596**
Host	-299816.36	694866.2235	-0.4314735	0.66621235	-1663294.42	**37.483**
1/Time	1262030	2380621.989	0.53012617	0.59613611	-3409266.03	
Host/Time	8288175.2	5254734.761	1.57727755	0.11503174	-2022752.75	**36.796**
Lines/Time	1398.8222	167.9466167	8.32896913	2.5129E-16	1069.27454	**53.917**

As initially indicated, this regression model contains severe multicollinearity and is mis-specified. Sprint strongly suggests dismissing all conclusions suggested as a result of this tainted data set and mis-specified regression model.

FNPRM Attachment Seven (7)

CENTRAL OFFICE SIZE:	Remote: 0 to 1000	Remote: 1000 to 5000	Host: 5000 to 25000	Host: 25000 to 50000	Host: Over 50000
Components:					
Powerboard	$ 4,000	$ 4,000	$ 20,000	$ 25,000	$ 25,000
Supplemental Power Bay	$ -	$ -	$ 10,000	$ 10,000	$ 10,000
Battery System	$ -	$ -	$ 6,000	$ 12,000	$ 12,000
Battery Plant	$ 6,000	$ 8,900	$ 26,250	$ 81,500	$ 108,640
Rectifiers	$ 7,500	$ 12,500	$ 32,500	$ 81,000	$ 81,000
Power Cables	$ 3,984	$ 7,200	$ 26,880	$ 35,040	$ 35,040
Cable Racks	$ 1,050	$ 1,050	$ 1,050	$ 1,050	$ 1,050
Installation	$ 11,984	$ 17,940	$ 59,430	$ 112,640	$ 128,924
Sub Total	**$ 34,518**	**$ 51,590**	**$ 182,110**	**$ 358,230**	**$ 401,654**
Office Grounding	$ 8,000	$ 8,000	$ 9,000	$ 11,000	$ 12,000
Grounding Labor	$ 23,000	$ 23,000	$ 25,000	$ 29,000	$ 34,000
Sub Total	**$ 31,000**	**$ 31,000**	**$ 34,000**	**$ 40,000**	**$ 46,000**
TOTAL	**$ 65,518**	**$ 82,590**	**$ 216,110**	**$ 398,230**	**$ 447,654**

FNPRM Attachment Eight (8)

A. Total Vendor Material	$	323,898	Subtotal DTA0
	$	1,551	Subtotal Misc Hardware
	$	325,449	
B. Feature Software	$	-	
C. Peripheral Firmware	$	-	
D. Vendor Engineering	$	30,784	
E. Vendor Installation	$	640	DSX Cabling
	$	1,739	Inst Net Junctor
	$	57	Ntwk Control Proc
	$	29	Ntwk SLC Panel
	$	29	Peripheral SLC Panel
	$	68	DC Fan cooling unit
	$	4,035	DTC packfill
	$	92	Universal Fiber Kit
	$	858	Domestic Univ Tone Recvr
	$	3,400	Start-up System
	$	10,946	
F. Total E,F,& I	$	367,179	
G. Total Trunk Capacity		2,400	
H. Per Trunk Cost F/G	$	153	

Sprint - LTD
Maintenance Example - Attachment A
Comments On Preliminary USF Input Values - Plant Specific Expenses

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Additions	Year 1	$ 1,000																			
	Year 2		$ 1,030																		
	Year 3			$ 1,061																	
	Year 4				$ 1,093																
	Year 5					$ 1,126															
	Year 6						$ 1,159														
	Year 7							$ 1,194													
	Year 8								$ 1,230												
	Year 9									$ 1,267											
	Year 10										$ 1,305										
	Year 11											$ 1,344									
	Year 12												$ 1,384								
	Year 13													$ 1,426							
	Year 14														$ 1,469						
	Year 15															$ 1,513					
	Year 16																$ 1,558				
	Year 17																	$ 1,605			
	Year 18																		$ 1,653		
	Year 19																			$ 1,702	
	Year 20																				$ 1,754
Retirements	Year 1 Addns											$ (1,000)									
	Year 2 Addns												$ (1,030)								
	Year 3 Addns													$ (1,061)							
	Year 4 Addns														$ (1,093)						
	Year 5 Addns															$ (1,126)					
	Year 6 Addns																$ (1,159)				
	Year 7 Addns																	$ (1,194)			
	Year 8 Addns																		$ (1,230)		
	Year 9 Addns																			$ (1,267)	
	Year 10 Addns																				$ (1,305)
Telephone Plant in Service		$ 1,000	$ 2,030	$ 3,091	$ 4,184	$ 5,309	$ 6,468	$ 7,662	$ 8,892	$ 10,159	$ 11,464	$ 11,808	$ 12,162	$ 12,527	$ 12,903	$ 13,290	$ 13,688	$ 14,099	$ 14,522	$ 14,958	$ 15,406
Average TPIS		$ 500	$ 1,515	$ 2,560	$ 3,637	$ 4,746	$ 5,889	$ 7,065	$ 8,277	$ 9,526	$ 10,811	$ 11,636	$ 11,985	$ 12,344	$ 12,715	$ 13,096	$ 13,489	$ 13,894	$ 14,311	$ 14,740	$ 15,182
Maintenance	Year 1 Addns	$ 50.00	$ 103.00	$ 106.09	$ 109.27	$ 112.55	$ 115.93	$ 119.41	$ 122.99	$ 126.68	$ 130.48	$ 67.20	--	--	--	--	--	--	--	--	--
	Year 2 Addns	--	$ 51.50	$ 106.09	$ 109.27	$ 112.55	$ 115.93	$ 119.41	$ 122.99	$ 126.68	$ 130.48	$ 134.39	$ 69.21	--	--	--	--	--	--	--	--
	Year 3 Addns	--	--	$ 53.05	$ 109.27	$ 112.55	$ 115.93	$ 119.41	$ 122.99	$ 126.68	$ 130.48	$ 134.39	$ 138.42	$ 71.29	--	--	--	--	--	--	--
	Year 4 Addns	--	--	--	$ 54.64	$ 112.55	$ 115.93	$ 119.41	$ 122.99	$ 126.68	$ 130.48	$ 134.39	$ 138.42	$ 142.58	$ 73.43	--	--	--	--	--	--
	Year 5 Addns	--	--	--	--	$ 56.28	$ 115.93	$ 119.41	$ 122.99	$ 126.68	$ 130.48	$ 134.39	$ 138.42	$ 142.58	$ 146.85	$ 75.63	--	--	--	--	--
	Year 6 Addns	--	--	--	--	--	$ 57.96	$ 119.41	$ 122.99	$ 126.68	$ 130.48	$ 134.39	$ 138.42	$ 142.58	$ 146.85	$ 151.26	$ 77.90	--	--	--	--
	Year 7 Addns	--	--	--	--	--	--	$ 59.70	$ 122.99	$ 126.68	$ 130.48	$ 134.39	$ 138.42	$ 142.58	$ 146.85	$ 151.26	$ 155.80	$ 80.24	--	--	--
	Year 8 Addns	--	--	--	--	--	--	--	$ 61.49	$ 126.68	$ 130.48	$ 134.39	$ 138.42	$ 142.58	$ 146.85	$ 151.26	$ 155.80	$ 160.47	$ 82.64	--	--
	Year 9 Addns	--	--	--	--	--	--	--	--	$ 63.34	$ 130.48	$ 134.39	$ 138.42	$ 142.58	$ 146.85	$ 151.26	$ 155.80	$ 160.47	$ 165.28	$ 85.12	--
	Year 10 Addns	--	--	--	--	--	--	--	--	--	$ 65.24	$ 134.39	$ 138.42	$ 142.58	$ 146.85	$ 151.26	$ 155.80	$ 160.47	$ 165.28	$ 170.24	$ 87.68
	Year 11 Addns	--	--	--	--	--	--	--	--	--	--	$ 67.20	$ 138.42	$ 142.58	$ 146.85	$ 151.26	$ 155.80	$ 160.47	$ 165.28	$ 170.24	$ 175.35
	Year 12 Addns	--	--	--	--	--	--	--	--	--	--	--	$ 69.21	$ 142.58	$ 146.85	$ 151.26	$ 155.80	$ 160.47	$ 165.28	$ 170.24	$ 175.35
	Year 13 Addns	--	--	--	--	--	--	--	--	--	--	--	--	$ 71.29	$ 146.85	$ 151.26	$ 155.80	$ 160.47	$ 165.28	$ 170.24	$ 175.35
	Year 14 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 73.43	$ 151.26	$ 155.80	$ 160.47	$ 165.28	$ 170.24	$ 175.35
	Year 15 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 75.63	$ 155.80	$ 160.47	$ 165.28	$ 170.24	$ 175.35
	Year 16 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 77.90	$ 160.47	$ 165.28	$ 170.24	$ 175.35
	Year 17 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 80.24	$ 165.28	$ 170.24	$ 175.35
	Year 18 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 82.64	$ 170.24	$ 175.35
	Year 19 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 85.12	$ 175.35
	Year 20 Addns	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$ 87.68
Total Maintenance		$ 50.00	$ 154.50	$ 265.23	$ 382.45	$ 506.48	$ 637.60	$ 776.13	$ 922.41	$ 1,076.75	$ 1,239.53	$ 1,343.92	$ 1,384.23	$ 1,425.76	$ 1,468.53	$ 1,512.59	$ 1,557.97	$ 1,604.71	$ 1,652.85	$ 1,702.43	$ 1,753.51
Average Maintenance Rate		10.00%	10.20%	10.36%	10.51%	10.67%	10.83%	10.98%	11.14%	11.30%	11.46%	11.55%	11.55%	11.55%	11.55%	11.55%	11.55%	11.55%	11.55%	11.55%	11.55%

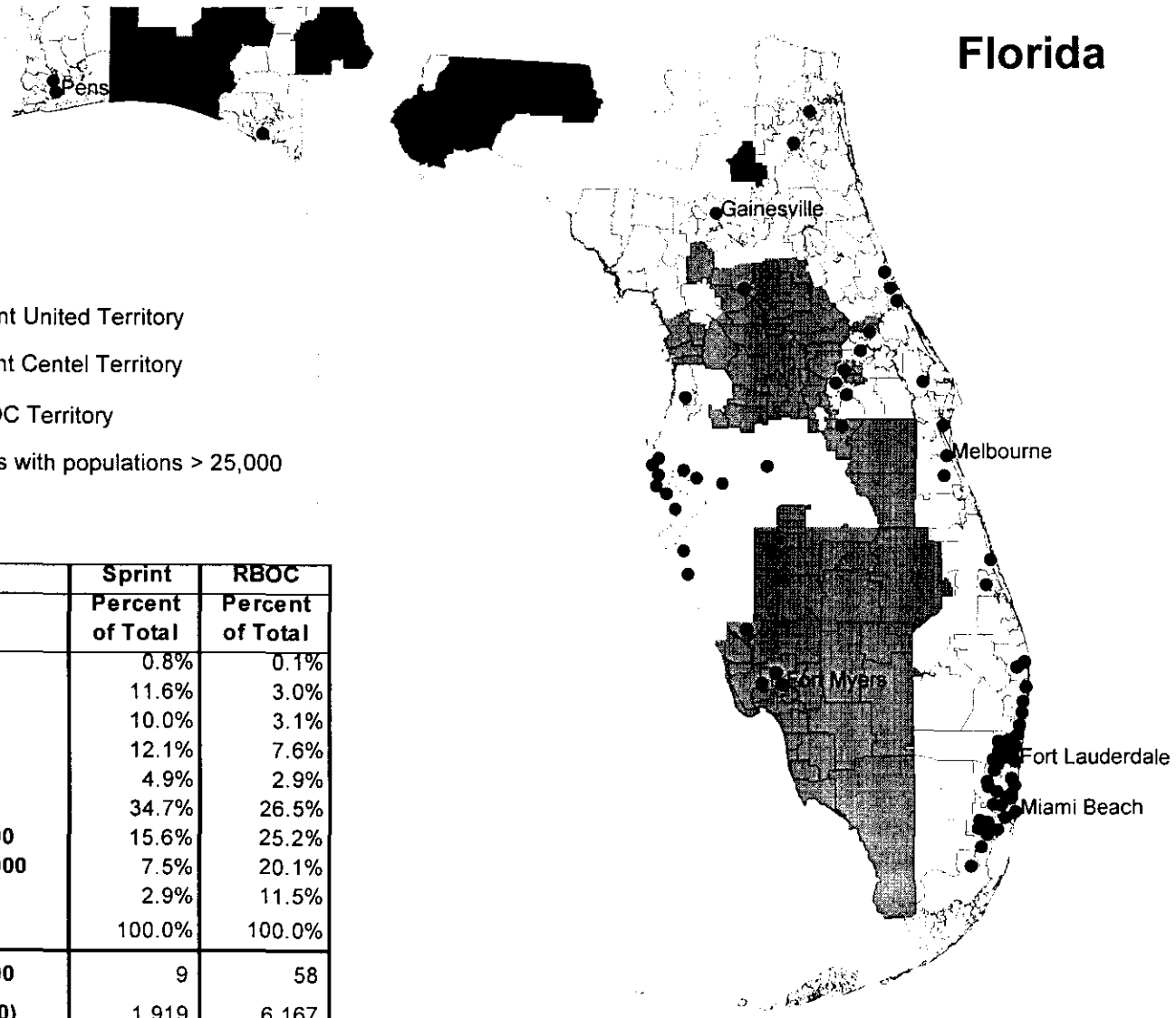
Sprint - LTD
Maintenance Example - Attachment B
Comments On Preliminary USF Input Values - Plant Specific Expenses

			Annual & Average Maintenance Rate
Addition		$ 1,000.00	
Maintenance	Year 1	50.00	10.00%
	Year 2	103.00	10.30%
	Year 3	106.09	10.61%
	Year 4	109.27	10.93%
	Year 5	112.55	11.26%
	Year 6	115.93	11.59%
	Year 7	119.41	11.94%
	Year 8	122.99	12.30%
	Year 9	126.68	12.67%
	Year 10	130.48	13.05%
	Year 11	67.20	13.44%
Total Maintenance & Average Rate		$ 1,163.58	11.64%

- Example Asset With 10-Year Life
- Addition Occurs at Mid-Year
- Beginning Maintenance Rate 10%
- Inflation Rate For Maintenance is 3%

Sprint NonRural Summary			Direct Costs (Incl. GSF)						
ARMIS 43-01 Line Reference	Description	Total Reg Amount (000)	Local Switching	% of Total Reg.	Subsc.Circuit	% of Total Reg.	Subsc CWF	% of Total Reg.	Other
1630+1640	COE-Total Switching	2,369,276	1,678,881	70.86%					690,395
1650	COE-Transmission	1,789,623			847,804	47.37%			941,819
1660	Cable & Wire Facilities	4,678,322					4,170,514	89.15%	507,808
1670	IOT Equipment	79,646							79,646
	COE+CWF	8,916,867	1,678,881	18.83%	847,804	9.51%	4,170,514	46.77%	2,219,668
1620+1680	Support Plant	915,716	172,702	18.86%	87,442	9.55%	427,454	46.68%	228,117
1690	Total Plant (TPIS)	9,832,583	1,851,584	18.83%	935,246	9.51%	4,597,968	46.76%	2,447,785
1820+1830	Deprec & Amort Reserves	5,092,992	792,287	15.56%	505,079	9.92%	2,476,834		1,318,792
1840	Deferred Tax Reserves	663,836	134,729	20.30%	56,502	8.51%	313,879		158,726
1910	Average Net Investment	4,075,755	924,568	22.68%	373,665	9.17%	1,807,255	44.34%	970,267
Return at 11.25%	**(1910 * .1125)**	458,522	104,014	22.68%	42,037	9.17%	203,316	44.34%	109,155
FIT Base	**(Return-1510+1520-1540)**	348,589	79,091	22.69%	32,144	9.22%	154,735	44.39%	82,619
FIT @ 35%		183,877	41,773	22.72%	16,977	9.23%	81,598	44.38%	43,529
State & Lcl Inc Tax	**(1410/1590*FIT above)**	25,138	5,848	23.26%	2,666	10.60%	11,580	46.07%	5,044
Federal & State Income Tax Gross-ups		209,015	47,621	22.78%	19,643	9.40%	93,178	44.58%	48,573
1420	Other State & Local Taxes	102,486	19,516	19.04%	8,958	8.74%	47,608	46.45%	26,404
1120	Plant Specific	610,854	97,738	16.00%	42,375	6.94%	325,966	53.36%	144,775
1130	Plant Non-Specific	217,923	41,620	19.10%	20,457	9.39%	101,178	46.43%	54,668
1140	Customer Op - Marketing	91,751	17,451	19.02%	8,717	9.50%	42,572	46.40%	23,011
1150	Customer Op - Services	306,877	58,516	19.07%	29,080	9.48%	142,308	46.37%	76,973
1160	Corporate Operations	303,397	57,770	19.04%	28,254	9.31%	141,012	46.48%	76,361
1170	Access	46,643	8,743	18.75%	4,409	9.45%	22,114	47.41%	11,376
1180	Depreciation/Amortization	680,466	129,931	19.09%	85,185	12.52%	301,306	44.28%	164,044
1190	Total Expenses	2,257,911	411,769	18.24%	218,477	9.68%	1,076,456	47.67%	551,209
1290	Other Operating Inc/Loss	(114,789)	2	0.00%	1	0.00%	6	-0.01%	(114,798)
1390	Non-Operating Inc/Loss	8,049	2,053	25.50%	1,015	12.61%	5,036	62.56%	(54)
	Total Expenses & Oper Taxes	2,253,657	433,340	19.23%	228,451	10.14%	1,129,105	50.10%	462,761
	Direct Expenses & Oper Taxes	1,551,632	299,603	19.31%	162,400	10.47%	803,214	51.77%	286,415
Direct Revenue Requirement		2,321,655	470,754	20.28%	233,037	10.04%	1,147,316	49.42%	470,547
	(Return + FIT + ST&Lcl Tax + Dir.Exp + Oth Oper + NonOp)								
Total Revenue Requirement (Incl. Overheads)		2,921,194	584,975	20.03%	290,131	9.93%	1,425,600	48.80%	620,488
	(Return + FIT + ST&Lcl Tax + Tot.Exp + Oth Oper + NonOp)								
Direct 'Carrying Charge on Direct Investment (COE & CWF)		2.1432	2.2011		2.1580		2.2186		
Sum of Local Switching, Subscriber Circuit & Subscriber CWF									
Direct							1,851,108	79.73%	
Total							2,300,706	78.76%	

Sprint
One Size Fits All?



Florida Density Group	Sprint Percent of Total	RBOC Percent of Total
0 TO 5	0.8%	0.1%
6 TO 100	11.6%	3.0%
101 TO 200	10.0%	3.1%
201 TO 650	12.1%	7.6%
651 TO 850	4.9%	2.9%
851 TO 2,550	34.7%	26.5%
2,551 TO 5,000	15.6%	25.2%
5,001 TO 10,000	7.5%	20.1%
> 10,001	2.9%	11.5%
Total	100.0%	100.0%
Cities > 25,000	9	58
Sw Lines (000)	1,919	6,167