

RECEIVED

MAR 1 2001



Judy Sello
Senior Attorney

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Room 1135L2
295 North Maple Avenue
Basking Ridge, NJ 07920
Tel: 908 221-8984
Fax: 908 221-4490
Email: jsello@fca.att.com

March 1, 2001

Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S.W., Room TW-B204
Washington, D.C. 20554

Re: Multi-Association Group (MAG) Plan for Regulation of
Interstate Service of Non-Price Cap Incumbent Local
Exchange Carriers and Interexchange Carriers, *et al.*
CC Docket Nos. 00-256, 96-45, 98-77, 98-166

Dear Ms. Salas:

The paper copies of the AT&T Comments on MAG NPRM filed February 26, 2001 in the above-captioned proceeding inadvertently did not include Tables 2 and 3 of Appendix A, which I enclose for filing herewith. By copy of this letter, I am submitting paper copies of these two tables to ITS and to Ms. Wanda Harris of the FCC.

The diskettes that AT&T provided to both ITS and Ms. Wanda Harris included all of Appendix A, as did the paper copies of AT&T's Comments served on the members of the USF Joint Board.

Respectfully yours,

Judy Sello/ha

Enclosure

cc: International Transcription Service, Inc.
Ms. Wanda Harris, FCC



Recycled Paper

TABLE 2 - TRAFFIC SENSITIVE POOL DATA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
NECA TS pool results (1):										
Access revenues	639,950,823	697,679,285	847,779,446	914,014,959	880,902,109	899,356,925	906,523,958	895,218,849	669,902,128	664,623,362
Local switching support									295,469,997	278,294,099
Total TS revenues	639,950,823	697,679,285	847,779,446	914,014,959	880,902,109	899,356,925	906,523,958	895,218,849	965,372,125	942,917,461
Total expenses										
Avg. net investment	775,331,889	876,205,045	967,371,470	987,986,394	949,542,756	976,610,102	898,760,928	872,823,385	874,544,818	905,415,933
Return (residue for dist.)	99,120,031	102,417,689	133,189,864	135,543,313	122,377,543	119,512,409	117,363,792	107,059,306	132,913,120	119,587,087
ROR (residue ratio)	12.78%	11.69%	13.77%	13.72%	12.89%	12.24%	13.06%	12.27%	15.20%	13.21%
Return @ 11.25%	87,224,838	98,573,068	108,829,290	111,148,469	106,823,560	109,868,636	101,110,604	98,192,631	98,386,292	101,859,292
Tax adjustment	(7,605,124)	(2,458,037)	(15,574,793)	(15,596,703)	(9,944,350)	(6,165,691)	(10,391,382)	(5,668,858)	(22,074,529)	(11,334,164)
Adjusted rev. requirement	620,460,606	691,376,627	807,844,079	874,023,412	885,403,776	883,647,462	879,879,388	886,883,316	906,770,768	913,866,603
Marginal tax rate	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Chargeable TS minutes (2)	11,160,443,908	11,842,118,636	12,082,805,836	13,222,836,257	12,693,759,293	12,105,386,402	12,451,777,195	13,364,965,704	14,782,195,075	15,831,783,747
Data on inflation:										
GDP Price Index	84.24	87.76	90.47	92.56	94.79	96.74	98.79	100.63	102.49	103.69
% increase		4.18%	3.09%	2.31%	2.41%	2.06%	2.12%	1.86%	1.85%	1.17%
Growth rates										
	1990-1999	1995-1999								
TS revenue	4.40%	1.19%								
TS revenue requirement	4.40%	0.85%								
TS minutes	3.70%	6.94%								
Minutes per line	3.73%	2.87%								
Access lines (estimated)	-0.03%	3.96%								
GDP Price Index	2.34%	1.75%								
GDP-PI & lines combined	2.30%	5.77%								

Notes:

(1) Source of NECA pool results: FCC Monitoring Reports (Docket 87-339), Table 7.2 (1990-96), Table 3.4 (1996-98), Table 3.6 (1998-99).

(2) Access minutes obtained from NECA TRP filings.

**TABLE 3 - SIMULATION OF MAG PLAN
Based on Illustrative Data (1995-1999)**

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Estimated industry revenues:					
NECA CL Revenue	985,631,811	1,051,161,693	1,129,637,720	1,256,695,348	1,343,966,868
NECA CL Rev. Requirement	996,883,571	1,061,719,237	1,119,181,896	1,184,378,463	1,257,880,588
NECA CL Pool % of total	96.7%	96.7%	96.7%	96.7%	96.7%
Industry CL Revenue	1,019,267,643	1,087,033,809	1,168,187,921	1,299,581,539	1,389,831,301
Industry CL Rev. Requirement	1,030,903,383	1,097,951,641	1,157,375,280	1,224,796,756	1,300,807,226
NECA TS Revenue	899,356,925	906,523,958	895,218,849	965,372,125	942,917,461
NECA TS Rev. Requirement	883,547,462	879,879,388	880,683,316	908,770,768	913,855,503
NECA TS Minutes	12,105,386,402	12,451,777,195	13,364,965,704	14,782,195,075	15,831,783,747
Industry TS Minutes (1)	22,903,762,000	25,235,239,000	27,022,225,549	28,561,213,481	31,852,638,618
NECA/ROR price ratio	1.0914	1.0914	1.0914	1.0914	1.0914
NECA TS Pool % of total	57.68%	53.85%	53.98%	56.49%	54.24%
Industry TS Revenue	1,559,150,416	1,683,383,762	1,658,480,043	1,709,071,558	1,738,269,098
Industry TS Rev. Requirement	1,531,742,886	1,633,905,714	1,631,551,554	1,608,865,879	1,684,693,355
Industry CL + TS Revenue	2,578,418,059	2,770,417,571	2,826,667,965	3,008,653,097	3,128,100,399
Industry CL + TS Rev. Requirement	2,562,646,069	2,731,857,355	2,788,926,834	2,833,662,635	2,985,500,581
Simulation of MAG Plan:					
Total access lines (2)	9,548,130	10,103,536	10,690,540	11,255,353	11,852,588
GDP-PI Adjustment		2.12%	1.86%	1.85%	1.17%
Initial CL + TS revenue per line	268.39				
Adjusted revenue per line		274.08	279.18	284.35	287.67
Total CL + TS revenue		2,769,176,134	2,984,635,622	3,200,404,091	3,409,685,249
Excess revenue		37,318,779	195,708,788	366,741,456	424,184,668
Target 1999 Revenue					2,989,920,761
Imputed X-Factor					3.29%
Sources of revenue under MAG plan					
Total access lines (2)		10,103,536	10,690,540	11,255,353	11,852,588
Residence/SLB percentage		87.76%	82.45%	82.05%	81.36%
MLB percentage		12.24%	17.55%	17.95%	18.64%
Residence/SLB lines @ \$6.50		8,866,684	8,814,813	9,235,460	9,643,463
MLB lines @ \$9.20		1,236,851	1,875,727	2,019,892	2,209,125
Total SLC revenue		828,149,750	894,635,633	943,362,007	996,077,518
Special access surcharge rev.		375,549	505,200	545,700	425,769
Traffic sensitive revenue		403,763,824	432,355,609	456,979,416	509,642,218
Total access revenues		1,232,289,123	1,327,496,442	1,400,887,123	1,506,145,505
Subsidy revenue (LTS,LSS,RAS)		1,536,887,011	1,657,139,180	1,799,516,969	1,903,539,744

Notes:

(1) From FCC Monitoring Report (Nov. 2000), Table 8.6, Interstate access minutes by study area, 1993-98.

1999 minutes estimated by increasing 1998 minutes by growth in non-Tier 1 minutes reported by NECA from 1998 to 1999.

(2) From FCC Monitoring Report, Table 3.22, Number of loops by study area. Average lines for each year calculated as a simple average of year-end loops for that year and year-end loops for the previous year. 1999 access lines estimated by increasing 1998 lines by growth in lines in NECA CL pool from 1998 to 1999 (from March 2000 Supplementa Report of Access Minutes).