

COST OF PREPARING AND FILING PROPOSED BROADBAND REPORTS

The following is a breakdown of the costs that Verizon would incur to enhance its systems to include the additional information the Commission proposed in the NPRM, and to prepare two expanded reports each year:

Non-Recurring Costs To Enhanced Systems:

Billing Systems – Enhancements to Billing Systems to provide the mechanized data extracts at the needed level of disaggregation	\$4.0M
Enhance input and output modules to allow reporting at the zip code level	\$2.0M
Enhance the Service Quality Data retrieval systems to enable reporting at the zip code level with appropriate aggregation capabilities	<u>\$2.2M</u>
Total System enhancement cost	\$8.2M

Annual Recurring Costs To Prepare and File Two Semi-Annual Reports

Additional staffing to prepare, check, and file reports	\$0.7M/Yr.
Ongoing system processing/maintenance costs	<u>\$0.9M /Yr.</u>
Total recurring cost	\$1.6M/Yr.