

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Special Access Rates for Price Cap Local Exchange Carriers)	WC Docket No. 05-25
)	
AT&T Corp. Petition for Rulemaking to Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services)	RM-10593
)	

COMMENTS OF SPRINT CORPORATION

Sprint Corporation, on behalf of its local, long distance, and wireless operations, hereby respectfully submits its comments on the Order and Notice of Proposed Rulemaking (NPRM) (FCC 05-18) released on January 31, 2005 in the above-captioned proceeding.

I. INTRODUCTION AND SUMMARY.

In the instant proceeding, the Commission has asked for comments on what steps it should take “to ensure that rates for special access services remain just and reasonable after the expiration of the CALLS plan” (NPRM, para. 2), and whether existing special access pricing flexibility rules should be “maintain[ed], modifi[ed], or repeal[ed]” (*id.*, para. 5). Because competition in the special access market has not developed evenly or in broad, MSA-wide swathes, reform of special access rate regulation clearly is in the public interest.

In Sprint’s experience, special access rates charged by RBOCs with Phase 2 pricing flexibility generally have increased or remained flat over time, and in most cases

are significantly higher than (sometimes more than double) the rates charged for the same services under price cap regulation. Sprint also estimated that its 2004 special access bill was approximately \$103 million higher under the current price flex regime than it would have been had those services been available at price cap rates. These results are hardly typical of what one would expect in a vigorously competitive market. At the same time, the MSA-wide collocation triggers currently used to determine grant of pricing flexibility prevent ILECs from responding to actual (often non-collocation-based) or more localized competitive pressures.

Because the special access market is not fully competitive, Sprint recommends an end to using collocation-based triggers to determine when pricing flexibility is granted. Instead, ILECs should be allowed to offer special access contract tariffs, and volume and term discounts, on short notice and free of Part 69 rate structure rules, wherever it is able to negotiate such a contract, subject to two provisos. First, all generally available special access service offerings would be brought back under a system of price caps, and would be subject to a 5.3% adjustment factor.¹ Second, the ILEC could offer contract tariffs outside of price caps, but would continue to be prohibited from offering such contract tariffs to an affiliate “unless and until an unaffiliated customer first purchases service pursuant to that contract.”² This hybrid regulatory approach offers ILECs sufficient flexibility to respond to legitimate competitive pressures, while providing a price cap

¹ In addition to the 5.3% adjustment factor, the price cap formula would include an inflation factor and exogenous cost changes, as defined in Section 61.45 of the Commission’s Rules.

² *Access Charge Reform*, 14 FCC Rcd 14221, 14292 (para. 129) (1999) (“*Pricing Flexibility Order*”).

safety net to special access customers who either lack true competitive alternatives to the ILEC or who find price flex offerings unsuitable or otherwise unacceptable.

II. THE SPECIAL ACCESS MARKET IS NOT FULLY COMPETITIVE.

Unlike the gods of ancient Greek mythology, competition in access markets does not spring forth fully formed. Competition develops over time, and the Commission has long recognized that progressively greater pricing flexibility should be granted to the incumbent service provider commensurate with the degree to which market forces are capable of preventing anti-competitive activity by the incumbent.³ Sprint agrees that there are cases in which viable competitive alternatives to the incumbent LEC's special access services are currently available, and that in those situations, the ILEC should be granted sufficient pricing flexibility to allow it to respond reasonably to competitive pressures. However, competitive alternatives are not uniformly available in all locations, and rarely, if ever, across a geographic sector as broad as an entire MSA. In adopting the current system of granting pricing flexibility based upon MSA-wide collocation triggers, the Commission over-estimated both the geographic scope of competitive entry for special access services, and the efficacy of collocation as a proxy for special access competition. Because actual, sustained competitive activity capable of preventing anti-competitive behavior by the incumbent -- the standard for replacing pricing by regulation with pricing by market forces⁴ -- has not developed as envisioned by the Commission, the RBOCs have been able to use the pricing flexibility granted to them to engage in pricing practices that are generally not possible in a truly competitive market. The Commission

³ *Pricing Flexibility Order*, 14 FCC Rcd at 14257 (para. 67).

⁴ *Pricing Flexibility Order*, 14 FCC Rcd at 14224 (para. 2).

anticipated that pricing flexibility would provide price cap LECs “with the ability to *lower* rates in specific markets...in response to competitive pressures in those markets.”⁵ However, as described below, the RBOCs have been able to *increase* certain of their special access rates as compared to those they would have been able to charge under price cap regulation, with no apparent improvement in quality, in MSAs in which they have received Phase 2 pricing flexibility.

Sprint is a major purchaser of special access services for its long distance and wireless operations, obtaining these services from all of the RBOCs in all parts of the country. To analyze the impact of Phase 2 pricing flexibility, Sprint performed two studies: first, a comparison of special access rates charged under price caps and price flex over the past few years; and second, a comparison of special access expense actually incurred, as compared to the expense Sprint would have incurred had it taken service entirely under price caps. Both of these analyses indicate that special access rates under Phase 2 pricing flexibility are higher overall than they would have been under price cap regulation – hardly the result one would expect if the market were in fact vibrantly competitive.⁶

Sprint compared DS1 and DS3 rates (channel termination, fixed channel mileage, and variable channel mileage elements) offered under price cap regulation and price flex over the past few years, for each of the RBOCs (see Attachment 1).⁷ Sprint used the rates

⁵ NPRM, para. 70, emphasis added.

⁶ There is no reason to believe that prices for the services in question had been kept artificially low under price caps.

⁷ Sprint evaluated the rates charged by Qwest; SBC-Ameritech, SBC-Nevada, SBC-Pacific, SBC-SNET and SBC-SWBT; BellSouth; and Verizon-South, Verizon-North, GTE-Florida, and GTE-California.

offered under either the 60-month or the 61-96 month term plans because these rates tend to be the lowest available, and because this is the term plan used most frequently by Sprint. This comparison confirms that in the majority of cases, price flex rates are higher than (sometimes more than double) or (less often) equal to price cap rates. Sprint's study found only 3 cases in which the 2004 price flex rates were lower than the price cap rates.⁸ This analysis also shows that in a majority of cases, price flex rates remained flat or increased between the first year of price flex and 2004, while price cap rates overwhelmingly decreased over the same period. Because Phase 2 pricing flexibility is supposed to be granted only where viable market forces are deemed to be entrenched, the apparent lack of downward pricing pressure in price flex special access markets is more than passing strange.

Sprint's second analysis involved its own actual special access expenditures. As summarized in Table 1 below, Sprint has estimated that its 2004 special access bill was approximately \$103 million higher on an annualized basis under Phase 2 pricing flexibility than it would have been under price cap regulation – again, hardly the result one would have expected if the special access market were fully competitive.⁹

⁸ SBC-Pacific's DS-1 channel termination and fixed channel mileage rates; and GTE-Florida's DS3 fixed channel mileage rate.

⁹ This analysis was based on demand quantities and rates in effect in December 2004. Sprint's demand analysis included DS1, DS3, OC3 and OC12 customer circuits, OC48 entrance facilities, and average (by ILEC) channel mileage. The rate comparison was between actual price flex rates assessed (using the most competitive zone and rate bands for the term plans and price flex contracts used by Sprint), and the equivalent price cap tariff offerings as of December 2004.

Table 1
 Difference in Price Flex vs. Price Cap Special Access Expense
 (millions)

RBOC A	\$ 45.36
RBOC B	\$ 20.40
RBOC C	\$ 20.00
RBOC D	<u>\$ 17.22</u>
Total	\$102.98

Even when ILECs have increased their special access rates, Sprint has found it difficult to avail itself of the special access services of alternative access vendors (AAVs) to the degree it would prefer, for two major reasons. First, AAVs simply do not provide service to every location in an MSA where Sprint requires such access facilities. In contrast to the RBOCs' near-ubiquitous special access networks, AAVs have facilities in far more limited geographic areas -- sometimes to only certain floors or individual suites in certain multi-story office buildings. Even if an AAV has deployed its own facilities on a portion of a desired route, it often must rely on resold ILEC facilities for last mile (to the customer's premises) channel terminations. And, since the channel termination rate element is generally between one-half to three-quarters of the cost of an end-to-end circuit (assuming 10 channel miles), it is not always financially worthwhile or operationally efficient for Sprint to rearrange its network to use the AAV's special access services.

Second, the RBOCs have made it administratively and financially difficult (in some cases, impossible) to efficiently migrate existing special access facilities to an AAV. For example, some RBOCs limit the quantities of circuits that can be migrated per night or by type of service, or assess high nonrecurring charges for coordinated service

termination.¹⁰ To compensate for the administrative and non-recurring costs associated with migrating existing circuits, an AAV's prices must be approximately 50% to 75% lower than that charged by the RBOC for an equivalent facility.

The RBOCs' pricing and migration strategies have been quite successful. Despite Sprint's aggressive attempts to diversify its access suppliers over the past several years, and its policy of using alternative vendors wherever it is financially and operationally feasible, as of the end of 2004, Sprint relied upon the RBOCs for almost 95% of its DS1 circuits, and 83% of its DS3 circuits. While Sprint's purchase of RBOC services is lower for higher capacity special access facilities, use of "big pipes" is not economically feasible in all situations.

Sprint has sought to use AAVs as much as possible over the past several years in order to reduce its reliance upon the incumbent service provider, and to foster the growth of alternative vendors on the assumption that multiple viable suppliers will lead to improved service quality and lower prices. The two largest non-ILEC providers of special access services used by Sprint (and presumably by other special access customers as well) are AT&T and MCI. Given this fact, the Commission must carefully consider the impact the pending mergers of SBC and AT&T, and Verizon and MCI, will have on competition in the special access market. As independent entities, AT&T and MCI are free to price their special access services according to their own business plans. To be sure, these carriers are retail competitors of Sprint and have no incentive to fully share

¹⁰ Verizon, for example, has a \$380.00 "Coordinated Retermination" nonrecurring charge per channel termination (*see* Tariff FCC No. 1, Section 7.5.9(a)(1)). In contrast, its installation NRC for many services that Sprint purchases is only \$1.00 per channel termination (*see, e.g.,* Tariff 1, Section 7.4.1(c)(1)).

“owner’s economics” with Sprint. Nonetheless, given the ubiquity of the RBOC access networks, AT&T and MCI have had an incentive to undercut the RBOCs’ prices in the wholesale market in order to increase their scale and spread their fixed costs over a larger base. If the proposed mergers are consummated, the RBOCs’ control of in-region capacity will be even greater than it now is, and whatever competitive pressure heretofore provided by AT&T and MCI will disappear.¹¹

III. SPECIAL ACCESS PRICING FLEXIBILITY SHOULD BE EXTENDED, AND GENERALLY AVAILABLE SERVICES BROUGHT BACK UNDER PRICE CAP REGULATION.

The Commission has tentatively concluded that it should “continue to regulate special access rates under a price cap regime and that the price cap regime should continue to include pricing flexibility rules that apply where competitive market forces constrain special access rates” (NPRM, para. 24). Sprint agrees. As discussed above, the special access market is not yet fully competitive, and grant of Phase 2 pricing flexibility to date frequently has led to price increases, rather than the expected decreases. Thus, it is clear not only that regulatory oversight of the pricing of special access services remains necessary, but also that such oversight should be strengthened as compared to what is currently in effect.

Sprint recommends the following:

1. An end to the trigger-based system for determining when pricing flexibility is granted;

¹¹ The Commission’s pricing flexibility rules do not provide for any sort of periodic review of the state of competition in price flex markets. Thus, even if a non-affiliated competitor ceases to exist -- because of bankruptcy, merger with or acquisition by the ILEC, or any other reason -- the ILEC retains the pricing flexibility it was previously granted.

2. Grant of special access pricing flexibility to an ILEC in any market where it can negotiate a special access contract. The ILEC could offer volume and term agreements or contract tariffs, filed on short notice, and without mandatory compliance with Part 69 special access rate structure rules. However, the ILEC may offer a contract tariff to its affiliate only if an unaffiliated entity first purchases service pursuant to that contract;
3. Return of generally available special access services which currently are subject to Phase 2 pricing flexibility back under price caps, initially at their existing rate levels; and
4. Application of a 5.3% adjustment factor (as well as an inflation factor and exogenous cost adjustments) to special access price cap rates.

Under the current system, pricing flexibility is granted to an ILEC that demonstrates that it has met certain triggers – that independent competitors have established collocation arrangements in a certain percentage of the ILEC’s wire centers in an MSA,¹² or in wire centers representing a certain percentage of the ILEC’s revenues.¹³ The ILEC also must demonstrate that at least one independent collocater uses transport facilities provided by a transport provider other than the ILEC. Unfortunately, MSA-wide collocation triggers are insufficiently granular to be effective predictors of viable, entrenched competition, and are thus unsatisfactory to both access customers and ILECs.

From the access customer’s perspective, wire center collocations do not reflect the degree of competition (or, more precisely, the lack thereof) for last mile facilities – the channel termination between the LEC end office and the end user location. As noted above, even where competitive alternatives do exist for interoffice or entrance facilities

¹² For transport, 15% for Phase I, and 50% for Phase 2 pricing flexibility; for channel terminations between a LEC end office and a customer premises, 50% for Phase 1 and 65% for Phase 2.

¹³ For transport, 30% for Phase I, and 65% for Phase 2; for channel terminations, 65% for Phase 1 and 85% for Phase 2.

(to the carrier PoP), AAVs currently provide relatively few channel termination facilities to the customer's premises because of the time and capital necessary to deploy such facilities, and the risk inherent in such an investment. Use of collocation triggers may have seemed workable in theory when the triggers were adopted, but such triggers have turned out to be highly imperfect proxies for competition as it is actually experienced by special access customers.

Collocation triggers, and especially MSA-wide triggers, can be inadequate and unreliable indicators of competition from the ILEC perspective as well. Many alternative providers of special access services do *not* collocate in the ILEC end office (for example, a neighboring ILEC that overbuilds its local franchise, or a cable or electric power company that uses its own plant to provide telecommunications services). These competitive alternatives (which may turn out to be the best source of long-term, viable competition) are obviously not reflected in collocation data and thus would not trigger pricing flexibility. And, even assuming *arguendo* that wire center collocations are an accurate measure of special access competition, an ILEC may face genuine competition from AAVs, but only in a limited number of wire centers.¹⁴ Unless the MSA-wide trigger is met, the ILEC will be unable to respond to this localized competition with a price flex offering.

¹⁴ This is especially true for ILECs that operate on the rural edges of an MSA, where a few but not all of their offices exhibit the competitive characteristics of the metropolitan area. For example, Sprint Local provides service at the edge of the Cincinnati MSA. Sprint has experienced competitive entry in two of its 10 end offices – sufficient to cause noticeable competitive losses, but insufficient to meet the trigger levels that would lead to grant of pricing flexibility.

Rather than continuing to rely upon triggers of dubious probative value, Sprint recommends that an ILEC be given special access pricing flexibility in any market in which it can negotiate a special access contract. The ILEC would be allowed to offer contract tariffs, and volume and term plans, on short notice and free from Part 69 rate structure rules. However, all generally available special access services would be moved back under price cap regulation in the sub-baskets from which the services were removed, and price capped rates would be subject to an annual 5.3% adjustment factor. The ILEC also would be allowed to offer contract tariffs outside of price caps; however, such a contract offering would be available to its affiliate only after an unaffiliated entity has first purchased service under that offering. This hybrid approach offers ILECs greater flexibility to respond to actual, localized competition, while extending a price cap safety net to special access customers who lack viable competitive alternatives to the ILEC and/or do not find the price flex offering to be reasonable.

When price cap regulation was adopted for local exchange carriers, the Commission required price cap LECs to reduce their rates by an X-factor to reflect productivity gains over and above those experienced in the economy as a whole. Under the CALLS plan, the role of the X-factor was transformed from a productivity factor into a “method to reduce rates to certain levels.”¹⁵ Although the 6.5% productivity factor mandated by the Commission in 1997 was subsequently rejected by the U.S. Court of Appeals,¹⁶ CALLS signatories voluntarily agreed to a 6.5% X-factor.

¹⁵ *Access Charge Reform*, 15 FCC Rcd 12962, 12978 (para. 40) (2000) (subsequent history omitted).

¹⁶ *USTA v. FCC*, 188 F.3d 521 (D.C. Cir. 1999).

The appropriate size of every productivity factor ever adopted has been the subject of long and heated debate. Although the 6.5% CALLS adjustment factor was voluntarily agreed to, that agreement was within the context of a broad access and universal service reform plan whose main purpose was to eliminate implicit subsidies from the access charge system. It could be argued that use of such a high adjustment factor today is unwarranted because the CALLS plan has succeeded in wringing out billions of dollars of such implicit subsidies. The most recent price cap adjustment factor that was judicially upheld is 5.3%. To avoid further protracted and painful debate -- especially since major reform of the entire system of intercarrier compensation is, presumably and hopefully, on the horizon -- Sprint recommends that the Commission revive the use of a 5.3% adjustment factor (netted against changes in inflation) to bring special access rates closer to the levels that might be expected in a competitive marketplace. Sprint suggests that this adjustment factor be applied in such a way as to eliminate the disparity in rates between price flex and price cap rates for generally available (that is, non-contract) services. Once these rates have been equalized, the adjustment factor can be applied uniformly to all special access price cap rates. At that point, price flex demand and price cap demand should be combined so that there is one demand quantity and one set of rates for each service element.

While Sprint advocates use of a 5.3% adjustment factor as part of the on-going price cap mechanism, we oppose application of a 5.3% (or any other) factor in order to achieve “interim relief” which some parties might consider necessary “to ensure special access rates remain reasonable while we consider what regulatory regime will follow the CALLS plan” (NPRM, para. 131). Reducing price cap rates by such an interim relief

factor without first rolling back Phase 2 pricing flexibility fails to address the major flaw underlying the current price flex rules (namely, the unwarranted use of MSA-wide collocation triggers). Application of an interim 5.3% adjustment factor to price cap rates would only exacerbate the gap between price flex and price cap rates, thus making the situation worse rather than better.

Sprint also agrees that special access price cap categories and subcategories must be re-examined (see NPRM, para. 50). The existing basket structure has not been updated for several years, and has been rendered sadly obsolete by rapid technological changes. Section 61.42(e)(3) of the Commission's Rules specifies only three special access price cap categories:

- voice grade, WATS, metallic and telegraph services;
- audio and video services; and
- high capacity and DDS (with DS1 and DS3 in separate subcategories)

Today, demand for special access services in the first two categories is quite small, and is increasingly dwarfed (especially in RBOC territories, which tend to be more urban overall than is true for non-RBOC price cap ILECs) by demand for higher capacity special access facilities. Lumping together all high capacity special access facilities, from a DS1 to an OC48, in a single large category offers very little assurance that services within this big category will be reasonably priced.

Sprint recommends creation of a new category for special access facilities with capacities greater than a DS3. Because it appears that AAVs have made greater competitive inroads in the OC level segment, separate baskets for DS1/DS3 circuits on the one hand, and "big pipe" (above DS3) facilities on the other hand, will help to prevent cross-subsidization between these services.

Sprint also recommends creation of separate subcategories for DS1 and DS3 channel terminations between the LEC end office and the customer premises, and between the carrier POP and the LEC serving wire center. As noted in the NPRM (para. 51) and as discussed above, ILECs remain indisputably dominant in the provision of special access channel terminations to the customer premises,¹⁷ although AAVs have made some inroads in the provision of entrance facilities. ILECs need some flexibility to meet competition in the entrance facilities market, and entrance facilities are less costly to provide than are channel terminations to the customer premises because the ILEC can deploy bigger facilities to a carrier POP than to a end user location. At the same time, it would be contrary to the public interest to have excessively high rates for channel terminations to the customer premises. Establishment of separate sub-categories for these facilities will help to prevent cross-subsidization of IXC entrance facility rates by customer channel termination rates.

Although Sprint advocates placing generally available special access services back under price cap regulation, we do not believe that “it is necessary...to reinitialize rates to ensure they are just and reasonable” (NPRM, para. 59), or to use the 11.25% rate of return applicable for rate-of-return LECs as “a valid benchmark for determining whether price cap LECs’ special access rates are just and reasonable” (*id.*, para. 60). Both re-initialization and use of an 11.25% benchmark assume, mistakenly, that “real” costs can be identified, and that “reasonable” returns can be calculated, for a specific

¹⁷ Indeed, the existing trigger mechanism, which sets different targets for transport and for channel terminations to the customer premises, is a reflection of ILECs’ greater market power in the latter market segment.

service category or, even more problematic, specific rate elements using ARMIS and other regulation-generated financial data.

Much of the ARMIS data produced by the local telephone companies for regulatory reporting purposes is based on arbitrary and by now hopelessly outdated jurisdictional and service category allocations. All of the separations factors have been frozen since 2000, and existing ARMIS rules do not even reflect many of the new technologies and services, such as DSL and SONET, which have burgeoned over the past decade.¹⁸ Under existing rules, DSL and SONET revenues are assigned entirely to the interstate special access category; however, virtually none of their associated costs (direct or common, for either network facilities or human resources) have been similarly allocated, thereby dramatically inflating the ARMIS-based special access rate of return. As requested by the Commission (NPRM, para. 36), Sprint Local, which is a price cap LEC, has computed a consolidated expense matrix from 1994 to 2004 (see Attachment 2). However, Sprint would emphasize that calculating a rate of return based on these ARMIS reporting categories has little if any relationship to true economic results, and that this matrix simply does not support re-initialization of rates to generate an 11.25% “return.”

Indeed, the 11.25% rate of return has itself been left unchanged and unexamined for a decade and a half. During this period, there have been dramatic economic, technical, and market structure changes which indisputably have affected -- and will

¹⁸ In their 2004 earnings reports, each of the RBOCs emphasized the growth in DSL it had experienced in the previous 12 months (Verizon – 3.6 million DSL lines, up 53.5% from year earlier; BellSouth - 2.1 million DSL lines, with record growth in the fourth

Footnote continued on next page

continue to affect -- carriers' cost of debt and cost of equity. On the one hand, long-term interest rates have fallen significantly in the past ten years. On the other hand, the telecommunications market has become far riskier (because of the increase in competition, the greater likelihood of carrier customer bankruptcies, and the remarkable degree of technological change and the increased threat of stranded investment), which causes the cost of equity to rise. Thus, the 11.25% figure cannot be assumed to be a reasonable benchmark. And, even if 11.25% were a reasonable benchmark, the Commission "has never examined accounting rates of return for specific categories of services to determine whether a LEC is required to make an exogenous cost adjustment to share overearnings or whether a LEC is qualified to make a low-end adjustment to compensate it for under-earnings" (NPRM, para. 62). As the Commission correctly stated in 1991, basket- or category-specific return data reported in ARMIS and Form 492 simply "does not serve a ratemaking purpose."¹⁹

IV. CONCLUSION.

The current special access pricing flexibility rules are not working as anticipated, and it is clear that the system for regulating special access rates must be revised to better reflect actual competitive conditions, both where viable competition exists and where it does not. The regulatory approach outlined above by Sprint reasonably balances the needs of ILECs and of special access customers, and Sprint urges its prompt adoption.

quarter; SBC – 5.1 million DSL lines, a 45.7% increase from year earlier; Qwest – over 1 million DSL lines, an increase of almost 400,000 from year earlier).

¹⁹ *Policy and Rules Concerning Rates for Dominant Carriers, Order on Reconsideration*, 6 FCC Rcd 2637, 2730 (para. 199) (1991).

Respectfully submitted,

SPRINT CORPORATION

A handwritten signature in cursive script that reads "Norina Moy". The signature is written in black ink and is positioned above a horizontal line.

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ATTACHMENT 1

Qwest 61-96 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Local Channel	2000	\$ 108.00		
DS1 Local Channel	2001	\$ 108.00		
DS1 Local Channel	2002	\$ 108.00	\$ 115.00	6.48%
DS1 Local Channel	2003	\$ 105.80	\$ 115.00	8.70%
DS1 Local Channel	2004	\$ 105.80	\$ 120.00	13.42%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 75.00		
DS1 Mileage Fixed	2001	\$ 60.00		
DS1 Mileage Fixed	2002	\$ 52.50	\$ 69.00	31.43%
DS1 Mileage Fixed	2003	\$ 52.50	\$ 69.00	31.43%
DS1 Mileage Fixed	2004	\$ 52.50	\$ 80.00	52.38%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 10.13		
DS1 Mileage Var	2001	\$ 8.25		
DS1 Mileage Var	2002	\$ 7.51	\$ 9.49	26.36%
DS1 Mileage Var	2003	\$ 8.25	\$ 9.49	15.03%
DS1 Mileage Var	2004	\$ 8.25	\$ 10.00	21.21%

Service	Year	Price Cap	Price Flex	
DS3 Local Channel	2000	\$ 1,125.00		
DS3 Local Channel	2001	\$ 1,125.00		
DS3 Local Channel	2002	\$ 1,125.00	\$ 1,125.00	0.00%
DS3 Local Channel	2003	\$ 1,050.00	\$ 1,125.00	7.14%
DS3 Local Channel	2004	\$ 1,050.00	\$ 1,500.00	42.86%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 264.00		
DS3 Mileage Fixed	2001	\$ 240.00		
DS3 Mileage Fixed	2002	\$ 247.50	\$ 232.50	-6.06%
DS3 Mileage Fixed	2003	\$ 247.50	\$ 232.50	-6.06%
DS3 Mileage Fixed	2004	\$ 247.50	\$ 273.00	10.30%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 26.00		
DS3 Mileage Var	2001	\$ 29.25		
DS3 Mileage Var	2002	\$ 29.25	\$ 29.25	0.00%
DS3 Mileage Var	2003	\$ 29.25	\$ 29.25	0.00%
DS3 Mileage Var	2004	\$ 29.25	\$ 68.00	132.48%

SBC - Ameritech, 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 113.00	\$ 113.00	0.00%
DS1 Chan Term	2001	\$ 113.00	\$ 113.00	0.00%
DS1 Chan Term	2002	\$ 112.00	\$ 113.00	0.89%
DS1 Chan Term	2003	\$ 104.00	\$ 113.00	8.65%
DS1 Chan Term	2004	\$ 104.00	\$ 113.00	8.65%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 30.30	\$ 30.30	0.00%
DS1 Mileage Fixed	2001	\$ 30.30	\$ 30.30	0.00%
DS1 Mileage Fixed	2002	\$ 25.62	\$ 30.30	18.27%
DS1 Mileage Fixed	2003	\$ 24.15	\$ 30.30	25.47%
DS1 Mileage Fixed	2004	\$ 24.15	\$ 30.30	25.47%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 17.20	\$ 17.20	0.00%
DS1 Mileage Var	2001	\$ 15.86	\$ 17.20	8.45%
DS1 Mileage Var	2002	\$ 14.64	\$ 17.20	17.49%
DS1 Mileage Var	2003	\$ 12.65	\$ 17.20	35.97%
DS1 Mileage Var	2004	\$ 12.65	\$ 17.20	35.97%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 1,200.00	\$ 1,200.00	0.00%
DS3 Chan Term	2001	\$ 1,200.00	\$ 1,200.00	0.00%
DS3 Chan Term	2002	\$ 1,150.00	\$ 1,200.00	4.35%
DS3 Chan Term	2003	\$ 1,050.00	\$ 1,200.00	14.29%
DS3 Chan Term	2004	\$ 1,050.00	\$ 1,200.00	14.29%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 264.00	\$ 264.00	0.00%
DS3 Mileage Fixed	2001	\$ 250.00	\$ 264.00	5.60%
DS3 Mileage Fixed	2002	\$ 250.00	\$ 264.00	5.60%
DS3 Mileage Fixed	2003	\$ 250.00	\$ 264.00	5.60%
DS3 Mileage Fixed	2004	\$ 250.00	\$ 264.00	5.60%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 58.75	\$ 58.75	0.00%
DS3 Mileage Var	2001	\$ 55.00	\$ 58.75	6.82%
DS3 Mileage Var	2002	\$ 55.00	\$ 58.75	6.82%
DS3 Mileage Var	2003	\$ 55.00	\$ 58.75	6.82%
DS3 Mileage Var	2004	\$ 55.00	\$ 58.75	6.82%

SBC - Nevada, 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 105.00	\$ 105.00	0.00%
DS1 Chan Term	2001	\$ 105.00	\$ 105.00	0.00%
DS1 Chan Term	2002	\$ 105.00	\$ 105.00	0.00%
DS1 Chan Term	2003	\$ 105.00	\$ 105.00	0.00%
DS1 Chan Term	2004	\$ 105.00	\$ 105.00	0.00%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 35.00	\$ 35.00	0.00%
DS1 Mileage Fixed	2001	\$ 35.00	\$ 35.00	0.00%
DS1 Mileage Fixed	2002	\$ 35.00	\$ 35.00	0.00%
DS1 Mileage Fixed	2003	\$ 35.00	\$ 35.00	0.00%
DS1 Mileage Fixed	2004	\$ 35.00	\$ 35.00	0.00%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 8.50	\$ 8.50	0.00%
DS1 Mileage Var	2001	\$ 8.50	\$ 8.50	0.00%
DS1 Mileage Var	2002	\$ 8.50	\$ 8.50	0.00%
DS1 Mileage Var	2003	\$ 8.50	\$ 8.50	0.00%
DS1 Mileage Var	2004	\$ 8.50	\$ 8.50	0.00%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 1,225.00	\$ 1,225.00	0.00%
DS3 Chan Term	2001	\$ 1,225.00	\$ 1,225.00	0.00%
DS3 Chan Term	2002	\$ 1,225.00	\$ 1,225.00	0.00%
DS3 Chan Term	2003	\$ 900.00	\$ 985.00	9.44%
DS3 Chan Term	2004	\$ 900.00	\$ 985.00	9.44%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 400.00	\$ 400.00	0.00%
DS3 Mileage Fixed	2001	\$ 400.00	\$ 400.00	0.00%
DS3 Mileage Fixed	2002	\$ 400.00	\$ 400.00	0.00%
DS3 Mileage Fixed	2003	\$ 337.50	\$ 337.50	0.00%
DS3 Mileage Fixed	2004	\$ 337.50	\$ 337.50	0.00%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 55.00	\$ 55.00	0.00%
DS3 Mileage Var	2001	\$ 55.00	\$ 55.00	0.00%
DS3 Mileage Var	2002	\$ 55.00	\$ 55.00	0.00%
DS3 Mileage Var	2003	\$ 36.50	\$ 36.50	0.00%
DS3 Mileage Var	2004	\$ 36.50	\$ 36.50	0.00%

SBC - Pacific 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 130.00	\$ 130.00	0.00%
DS1 Chan Term	2001	\$ 130.00	\$ 130.00	0.00%
DS1 Chan Term	2002	\$ 130.00	\$ 130.00	0.00%
DS1 Chan Term	2003	\$ 105.00	\$ 100.00	-4.76%
DS1 Chan Term	2004	\$ 105.00	\$ 100.00	-4.76%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 53.75	\$ 53.75	0.00%
DS1 Mileage Fixed	2001	\$ 53.75	\$ 53.75	0.00%
DS1 Mileage Fixed	2002	\$ 53.75	\$ 53.75	0.00%
DS1 Mileage Fixed	2003	\$ 37.00	\$ 35.00	-5.41%
DS1 Mileage Fixed	2004	\$ 37.00	\$ 35.00	-5.41%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 10.25	\$ 10.25	0.00%
DS1 Mileage Var	2001	\$ 10.25	\$ 10.25	0.00%
DS1 Mileage Var	2002	\$ 10.25	\$ 10.25	0.00%
DS1 Mileage Var	2003	\$ 8.50	\$ 8.50	0.00%
DS1 Mileage Var	2004	\$ 8.50	\$ 8.50	0.00%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 1,145.00	\$ 1,145.00	0.00%
DS3 Chan Term	2001	\$ 1,145.00	\$ 1,145.00	0.00%
DS3 Chan Term	2002	\$ 1,145.00	\$ 1,145.00	0.00%
DS3 Chan Term	2003	\$ 850.00	\$ 1,145.00	34.71%
DS3 Chan Term	2004	\$ 850.00	\$ 1,145.00	34.71%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 500.00	\$ 500.00	0.00%
DS3 Mileage Fixed	2001	\$ 500.00	\$ 500.00	0.00%
DS3 Mileage Fixed	2002	\$ 500.00	\$ 500.00	0.00%
DS3 Mileage Fixed	2003	\$ 405.00	\$ 405.00	0.00%
DS3 Mileage Fixed	2004	\$ 405.00	\$ 405.00	0.00%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 30.96	\$ 30.96	0.00%
DS3 Mileage Var	2001	\$ 30.96	\$ 30.96	0.00%
DS3 Mileage Var	2002	\$ 30.96	\$ 30.96	0.00%
DS3 Mileage Var	2003	\$ 18.50	\$ 18.50	0.00%
DS3 Mileage Var	2004	\$ 18.50	\$ 18.50	0.00%

SBC - SNET 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 170.00	\$ 170.00	0.00%
DS1 Chan Term	2001	\$ 170.00	\$ 170.00	0.00%
DS1 Chan Term	2002	\$ 170.00	\$ 170.00	0.00%
DS1 Chan Term	2003	\$ 112.50	\$ 119.25	6.00%
DS1 Chan Term	2004	\$ 112.50	\$ 119.25	6.00%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 75.00	\$ 75.00	0.00%
DS1 Mileage Fixed	2001	\$ 75.00	\$ 75.00	0.00%
DS1 Mileage Fixed	2002	\$ 75.00	\$ 75.00	0.00%
DS1 Mileage Fixed	2003	\$ 45.00	\$ 52.50	16.67%
DS1 Mileage Fixed	2004	\$ 45.00	\$ 52.50	16.67%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 17.60	\$ 17.60	0.00%
DS1 Mileage Var	2001	\$ 17.60	\$ 17.60	0.00%
DS1 Mileage Var	2002	\$ 17.60	\$ 13.13	-25.40%
DS1 Mileage Var	2003	\$ 12.00	\$ 13.13	9.42%
DS1 Mileage Var	2004	\$ 12.00	\$ 13.13	9.42%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 1,150.00	\$ 1,150.00	0.00%
DS3 Chan Term	2001	\$ 1,150.00	\$ 1,150.00	0.00%
DS3 Chan Term	2002	\$ 1,150.00	\$ 1,025.00	-10.87%
DS3 Chan Term	2003	\$ 1,000.00	\$ 1,025.00	2.50%
DS3 Chan Term	2004	\$ 1,000.00	\$ 1,025.00	2.50%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 550.00	\$ 550.00	0.00%
DS3 Mileage Fixed	2001	\$ 550.00	\$ 550.00	0.00%
DS3 Mileage Fixed	2002	\$ 550.00	\$ 500.00	-9.09%
DS3 Mileage Fixed	2003	\$ 450.00	\$ 500.00	11.11%
DS3 Mileage Fixed	2004	\$ 450.00	\$ 500.00	11.11%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 70.00	\$ 70.00	0.00%
DS3 Mileage Var	2001	\$ 70.00	\$ 70.00	0.00%
DS3 Mileage Var	2002	\$ 70.00	\$ 60.00	-14.29%
DS3 Mileage Var	2003	\$ 50.00	\$ 60.00	20.00%
DS3 Mileage Var	2004	\$ 50.00	\$ 60.00	20.00%

SBC - SWBT 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 100.00	\$ 100.00	0.00%
DS1 Chan Term	2001	\$ 100.00	\$ 100.00	0.00%
DS1 Chan Term	2002	\$ 100.00	\$ 100.00	0.00%
DS1 Chan Term	2003	\$ 90.00	\$ 100.00	11.11%
DS1 Chan Term	2004	\$ 90.00	\$ 100.00	11.11%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 43.50	\$ 43.50	0.00%
DS1 Mileage Fixed	2001	\$ 43.50	\$ 43.50	0.00%
DS1 Mileage Fixed	2002	\$ 43.50	\$ 43.50	0.00%
DS1 Mileage Fixed	2003	\$ 34.00	\$ 43.50	27.94%
DS1 Mileage Fixed	2004	\$ 34.00	\$ 43.50	27.94%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 12.40	\$ 12.40	0.00%
DS1 Mileage Var	2001	\$ 12.40	\$ 12.40	0.00%
DS1 Mileage Var	2002	\$ 12.40	\$ 12.40	0.00%
DS1 Mileage Var	2003	\$ 8.85	\$ 12.40	40.11%
DS1 Mileage Var	2004	\$ 8.85	\$ 12.40	40.11%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 1,250.00	\$ 1,250.00	0.00%
DS3 Chan Term	2001	\$ 1,250.00	\$ 1,250.00	0.00%
DS3 Chan Term	2002	\$ 1,250.00	\$ 1,250.00	0.00%
DS3 Chan Term	2003	\$ 1,150.00	\$ 1,250.00	8.70%
DS3 Chan Term	2004	\$ 1,150.00	\$ 1,250.00	8.70%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 550.00	\$ 550.00	0.00%
DS3 Mileage Fixed	2001	\$ 550.00	\$ 550.00	0.00%
DS3 Mileage Fixed	2002	\$ 550.00	\$ 550.00	0.00%
DS3 Mileage Fixed	2003	\$ 510.00	\$ 550.00	7.84%
DS3 Mileage Fixed	2004	\$ 510.00	\$ 550.00	7.84%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 70.00	\$ 70.00	0.00%
DS3 Mileage Var	2001	\$ 70.00	\$ 70.00	0.00%
DS3 Mileage Var	2002	\$ 70.00	\$ 70.00	0.00%
DS3 Mileage Var	2003	\$ 65.00	\$ 70.00	7.69%
DS3 Mileage Var	2004	\$ 65.00	\$ 70.00	7.69%

BellSouth - 61-96 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Local Channel	1999	\$ 124.00		
DS1 Local Channel	2000	\$ 123.00		
DS1 Local Channel	2001	\$ 123.00	\$ 123.00	0.00%
DS1 Local Channel	2002	\$ 120.00	\$ 123.00	2.50%
DS1 Local Channel	2003	\$ 120.00	\$ 123.00	2.50%
DS1 Local Channel	2004	\$ 120.00	\$ 123.00	2.50%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	1999	\$ 65.00		
DS1 Mileage Fixed	2000	\$ 65.00		
DS1 Mileage Fixed	2001	\$ 65.00	\$ 65.00	0.00%
DS1 Mileage Fixed	2002	\$ 65.00	\$ 65.00	0.00%
DS1 Mileage Fixed	2003	\$ 65.00	\$ 65.00	0.00%
DS1 Mileage Fixed	2004	\$ 65.00	\$ 65.00	0.00%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	1999	\$ 10.15		
DS1 Mileage Var	2000	\$ 8.00		
DS1 Mileage Var	2001	\$ 7.50	\$ 8.00	6.67%
DS1 Mileage Var	2002	\$ 7.50	\$ 8.00	6.67%
DS1 Mileage Var	2003	\$ 6.40	\$ 8.00	25.00%
DS1 Mileage Var	2004	\$ 3.90	\$ 8.00	105.13%

Service	Year	Price Cap	Price Flex	
DS3 Local Channel	1999	\$ 1,300.00		
DS3 Local Channel	2000	\$ 1,290.00		
DS3 Local Channel	2001	\$ 1,250.00	\$ 1,290.00	3.20%
DS3 Local Channel	2002	\$ 1,150.00	\$ 1,290.00	12.17%
DS3 Local Channel	2003	\$ 977.50	\$ 1,290.00	31.97%
DS3 Local Channel	2004	\$ 977.50	\$ 1,290.00	31.97%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	1999	\$ 950.00		
DS3 Mileage Fixed	2000	\$ 850.00		
DS3 Mileage Fixed	2001	\$ 775.00	\$ 775.00	0.00%
DS3 Mileage Fixed	2002	\$ 775.00	\$ 775.00	0.00%
DS3 Mileage Fixed	2003	\$ 658.75	\$ 775.00	17.65%
DS3 Mileage Fixed	2004	\$ 658.75	\$ 775.00	17.65%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	1999	\$ 80.00		
DS3 Mileage Var	2000	\$ 60.00		
DS3 Mileage Var	2001	\$ 40.00	\$ 50.00	25.00%
DS3 Mileage Var	2002	\$ 35.00	\$ 50.00	42.86%
DS3 Mileage Var	2003	\$ 29.75	\$ 50.00	68.07%
DS3 Mileage Var	2004	\$ 29.75	\$ 50.00	68.07%

Verizon-South, 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 135.92		
DS1 Chan Term	2001	\$ 128.86	\$ 135.92	5.48%
DS1 Chan Term	2002	\$ 128.86	\$ 146.66	13.81%
DS1 Chan Term	2003	\$ 128.05	\$ 146.66	14.53%
DS1 Chan Term	2004	\$ 128.05	\$ 146.66	14.53%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 46.66		
DS1 Mileage Fixed	2001	\$ 46.66	\$ 46.66	0.00%
DS1 Mileage Fixed	2002	\$ 46.66	\$ 55.00	17.87%
DS1 Mileage Fixed	2003	\$ 46.66	\$ 55.00	17.87%
DS1 Mileage Fixed	2004	\$ 46.66	\$ 55.00	17.87%

Verizon South

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 21.40		
DS1 Mileage Var	2001	\$ 21.40	\$ 21.40	0.00%
DS1 Mileage Var	2002	\$ 21.40	\$ 27.37	27.90%
DS1 Mileage Var	2003	\$ 19.17	\$ 27.37	42.78%
DS1 Mileage Var	2004	\$ 19.17	\$ 27.37	42.78%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 2,646.70		
DS3 Chan Term	2001	\$ 2,434.96	\$ 2,646.70	8.70%
DS3 Chan Term	2002	\$ 1,700.96	\$ 2,646.70	55.60%
DS3 Chan Term	2003	\$ 1,700.96	\$ 2,646.70	55.60%
DS3 Chan Term	2004	\$ 1,700.96	\$ 2,646.70	55.60%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 825.00		
DS3 Mileage Fixed	2001	\$ 825.00	\$ 825.00	0.00%
DS3 Mileage Fixed	2002	\$ 825.00	\$ 825.00	0.00%
DS3 Mileage Fixed	2003	\$ 701.25	\$ 825.00	17.65%
DS3 Mileage Fixed	2004	\$ 701.25	\$ 825.00	17.65%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 155.03		
DS3 Mileage Var	2001	\$ 155.03	\$ 155.03	0.00%
DS3 Mileage Var	2002	\$ 155.03	\$ 155.03	0.00%
DS3 Mileage Var	2003	\$ 131.78	\$ 155.03	17.64%
DS3 Mileage Var	2004	\$ 131.78	\$ 155.03	17.64%

Verizon-North, 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 114.56		
DS1 Chan Term	2001	\$ 108.61	\$ 114.56	5.48%
DS1 Chan Term	2002	\$ 115.13	\$ 126.02	9.46%
DS1 Chan Term	2003	\$ 115.13	\$ 126.02	9.46%
DS1 Chan Term	2004	\$ 115.13	\$ 126.02	9.46%

Service	Year	Price Cap	Price Flex	% diff
DS1 Mileage Fixed	2000	\$ 50.00		
DS1 Mileage Fixed	2001	\$ 50.00	\$ 50.00	0.00%
DS1 Mileage Fixed	2002	\$ 53.00	\$ 53.00	0.00%
DS1 Mileage Fixed	2003	\$ 47.12	\$ 53.00	12.48%
DS1 Mileage Fixed	2004	\$ 47.12	\$ 53.00	12.48%

Verizon North

Service	Year	Price Cap	Price Flex	% diff
DS1 Mileage Var	2000	\$ 24.88		
DS1 Mileage Var	2001	\$ 24.88	\$ 24.88	0.00%
DS1 Mileage Var	2002	\$ 26.37	\$ 26.37	0.00%
DS1 Mileage Var	2003	\$ 19.17	\$ 26.37	37.56%
DS1 Mileage Var	2004	\$ 19.17	\$ 26.37	37.56%

Service	Year	Price Cap	Price Flex	% diff
DS3 Chan Term	2000	\$ 1,967.55		
DS3 Chan Term	2001	\$ 1,700.96	\$ 1,871.06	10.00%
DS3 Chan Term	2002	\$ 1,700.96	\$ 1,871.06	10.00%
DS3 Chan Term	2003	\$ 1,700.96	\$ 1,871.06	10.00%
DS3 Chan Term	2004	\$ 1,700.96	\$ 1,871.06	10.00%

Service	Year	Price Cap	Price Flex	% diff
DS3 Mileage Fixed	2000	\$ 846.60		
DS3 Mileage Fixed	2001	\$ 825.00	\$ 825.00	0.00%
DS3 Mileage Fixed	2002	\$ 825.00	\$ 825.00	0.00%
DS3 Mileage Fixed	2003	\$ 701.25	\$ 825.00	17.65%
DS3 Mileage Fixed	2004	\$ 701.25	\$ 825.00	17.65%

Service	Year	Price Cap	Price Flex	% diff
DS3 Mileage Var	2000	\$ 157.84		
DS3 Mileage Var	2001	\$ 155.03	\$ 155.03	0.00%
DS3 Mileage Var	2002	\$ 155.03	\$ 155.03	0.00%
DS3 Mileage Var	2003	\$ 131.78	\$ 155.03	17.64%
DS3 Mileage Var	2004	\$ 131.78	\$ 155.03	17.64%

GTE-Florida, 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 119.80		
DS1 Chan Term	2001	\$ 119.80		
DS1 Chan Term	2002	\$ 115.00	\$ 119.80	4.17%
DS1 Chan Term	2003	\$ 106.00	\$ 119.80	13.02%
DS1 Chan Term	2004	\$ 106.00	\$ 119.80	13.02%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Fixed	2000	\$ 32.60		
DS1 Mileage Fixed	2001	\$ 32.60		
DS1 Mileage Fixed	2002	\$ 17.25	\$ 32.60	88.99%
DS1 Mileage Fixed	2003	\$ 14.06	\$ 32.60	131.86%
DS1 Mileage Fixed	2004	\$ 14.06	\$ 32.60	131.86%

Service	Year	Price Cap	Price Flex	
DS1 Mileage Var	2000	\$ 10.90		
DS1 Mileage Var	2001	\$ 10.90		
DS1 Mileage Var	2002	\$ 6.10	\$ 10.90	78.69%
DS1 Mileage Var	2003	\$ 5.01	\$ 10.90	117.56%
DS1 Mileage Var	2004	\$ 5.01	\$ 10.90	117.56%

Service	Year	Price Cap	Price Flex	
DS3 Chan Term	2000	\$ 890.00		
DS3 Chan Term	2001	\$ 890.00		
DS3 Chan Term	2002	\$ 890.00	\$ 912.30	2.51%
DS3 Chan Term	2003	\$ 825.00	\$ 912.30	10.58%
DS3 Chan Term	2004	\$ 825.00	\$ 912.30	10.58%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Fixed	2000	\$ 370.96		
DS3 Mileage Fixed	2001	\$ 346.88		
DS3 Mileage Fixed	2002	\$ 346.88	\$ 275.00	-20.72%
DS3 Mileage Fixed	2003	\$ 346.88	\$ 275.00	-20.72%
DS3 Mileage Fixed	2004	\$ 346.88	\$ 275.00	-20.72%

Service	Year	Price Cap	Price Flex	
DS3 Mileage Var	2000	\$ 36.51		
DS3 Mileage Var	2001	\$ 34.52		
DS3 Mileage Var	2002	\$ 34.52	\$ 55.00	59.33%
DS3 Mileage Var	2003	\$ 34.52	\$ 55.00	59.33%
DS3 Mileage Var	2004	\$ 34.52	\$ 55.00	59.33%

GTE-California, 60 month rates

Service	Year	Price Cap	Price Flex	% diff
DS1 Chan Term	2000	\$ 118.00		
DS1 Chan Term	2001	\$ 118.00		
DS1 Chan Term	2002	\$ 118.00	\$ 119.80	1.53%
DS1 Chan Term	2003	\$ 118.00	\$ 119.80	1.53%
DS1 Chan Term	2004	\$ 118.00	\$ 119.80	1.53%

Service	Year	Price Cap	Price Flex	% diff
DS1 Mileage Fixed	2000	\$ 46.20		
DS1 Mileage Fixed	2001	\$ 47.30		
DS1 Mileage Fixed	2002	\$ 50.68	\$ 61.00	20.36%
DS1 Mileage Fixed	2003	\$ 50.68	\$ 61.00	20.36%
DS1 Mileage Fixed	2004	\$ 50.68	\$ 61.00	20.36%

Service	Year	Price Cap	Price Flex	% diff
DS1 Mileage Var	2000	\$ 7.70		
DS1 Mileage Var	2001	\$ 7.88		
DS1 Mileage Var	2002	\$ 8.82	\$ 10.60	20.18%
DS1 Mileage Var	2003	\$ 8.11	\$ 10.60	30.70%
DS1 Mileage Var	2004	\$ 8.11	\$ 10.60	30.70%

Service	Year	Price Cap	Price Flex	% diff
DS3 Chan Term	2000	\$ 825.00		
DS3 Chan Term	2001	\$ 825.00		
DS3 Chan Term	2002	\$ 825.00	\$ 912.30	10.58%
DS3 Chan Term	2003	\$ 825.00	\$ 912.30	10.58%
DS3 Chan Term	2004	\$ 825.00	\$ 912.30	10.58%

Service	Year	Price Cap	Price Flex	% diff
DS3 Mileage Fixed	2000	\$ 255.62		
DS3 Mileage Fixed	2001	\$ 262.50		
DS3 Mileage Fixed	2002	\$ 270.50	\$ 325.00	20.15%
DS3 Mileage Fixed	2003	\$ 270.50	\$ 325.00	20.15%
DS3 Mileage Fixed	2004	\$ 270.50	\$ 325.00	20.15%

Service	Year	Price Cap	Price Flex	% diff
DS3 Mileage Var	2000	\$ 12.75		
DS3 Mileage Var	2001	\$ 13.00		
DS3 Mileage Var	2002	\$ 13.48	\$ 16.20	20.18%
DS3 Mileage Var	2003	\$ 12.64	\$ 16.20	28.16%
DS3 Mileage Var	2004	\$ 12.64	\$ 16.20	28.16%

ATTACHMENT 2

Copany: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,SC,TN,VA
 COSA: STPC

1994

1995

1996

TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS A ACCOUNT LEVEL REPORTING

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
EXPENSE ACCOUNTS																
Plant Specific Operations																
6112	Motor vehicle	32,331	3,912	896	22	27,503	32,679	3,400	858	272	28,149	33,663	3,563	892	312	28,896
610	Clearance - Motor vehicle	28,997	2,881	789	(375)	25,734	29,728	2,920	820	(124)	26,112	28,760	3,007	815	29	24,910
615	Net Balance - Motor vehicle	3,332	1,029	107	396	1,766	2,952	478	38	393	2,042	4,903	555	72	617	3,659
6113	Aircraft	65	(3)	9	1	56	34	-	-	-	34	45	-	-	-	45
620	Clearance - Aircraft	(502)	(59)	(8)	(93)	(340)	(308)	(64)	(10)	(130)	(104)	(484)	(91)	(14)	(138)	(242)
625	Net Balance - Aircraft	567	57	17	94	395	342	64	10	130	137	530	91	14	138	287
6114	Tools and other work equipment	11	-	-	2	9	4	(0)	-	-	4	2	(0)	-	-	2
630	Clearance - Tools and other work equipment	11	-	-	2	9	3	(0)	-	-	3	(0)	(0)	-	-	(0)
635	Net Balance - Tools and other work equipment	0	-	-	0	-	1	-	-	-	1	2	(0)	-	-	2
6115	Garage work equipment	323	-	-	-	323	80	-	-	0	80	31	-	-	-	31
6116	Oteher work equipment	15,608	335	76	79	15,117	16,214	339	81	23	15,771	16,222	340	81	23	15,777
640	Clearance - Other work equipment	15,121	328	74	19	14,707	15,565	329	80	(26)	15,183	14,798	315	76	(10)	14,417
645	Net Balance - Other work equipment	486	5	2	61	408	649	10	1	47	591	1,424	17	3	96	1,309
6110	Network support	4,709	1,091	129	552	2,897	4,024	548	48	483	2,945	6,890	663	89	854	5,284
6121	Land & building	92,353	9,500	2,733	21,968	58,151	85,915	10,138	3,084	21,934	50,759	96,447	11,593	2,824	24,332	57,697
6122	Furniture & artworks	9,760	214	62	2,120	7,365	8,430	289	83	1,858	6,199	12,376	423	99	1,962	9,892
6123	Office equipment	22,920	3,175	716	4,912	14,117	21,211	3,243	690	5,358	11,920	23,714	4,002	664	7,172	11,876
6124	General purpose computers	111,588	8,346	1,429	21,218	80,595	119,571	7,510	1,637	25,429	84,995	134,898	5,629	1,191	24,090	103,989
6120	General support	236,620	21,235	4,941	50,218	160,227	235,127	21,167	5,494	54,297	154,169	267,434	21,647	4,777	57,556	183,455
6211	Analog electronic	339	130	27	0	182	192	95	27	-	70	(183)	89	23	-	(296)
6212	Digital electronic	147,974	43,885	9,477	168	94,444	139,109	47,242	10,223	63	81,581	171,855	49,975	9,507	192	112,181
6215	Electro-mechanical	8,631	2,746	493	155	5,237	5,325	1,854	365	155	2,951	3,396	1,592	211	103	1,490
6210	Central office-switching	156,945	46,761	9,998	323	99,863	144,626	49,243	10,624	218	84,540	175,068	51,656	9,742	296	113,375
6220	Operator systems	1,628	57	12	873	685	1,417	60	16	1,200	141	1,938	98	15	1,347	477
6231	Radio systems	1,221	362	88	6	765	1,106	319	78	5	703	867	339	48	10	470
6232	Circuit equipment	41,831	16,115	3,630	1,123	20,962	40,285	16,609	3,901	1,580	18,195	48,418	23,487	4,154	2,870	17,907
6230	Central office-transmission	43,052	16,477	3,719	1,129	21,727	41,391	16,928	3,979	1,582	18,902	49,285	23,826	4,203	2,879	18,376
6311	Station apparatus	97,473	17,983	4,232	145	75,113	129,196	23,811	6,405	1,240	97,741	160,101	26,704	4,914	242	128,240
6341	Large PBX	54,025	5,464	1,082	12	47,467	71,762	5,969	1,183	2	64,609	69,403	8,269	1,151	5	59,977
6351	Public telephone terminal equipment	15,551	2,782	642	-	12,127	13,838	2,999	699	-	10,139	13,474	3,688	502	15	9,269
6362	Other terminal equipment	61,067	18,201	4,242	0	38,624	63,517	19,889	4,333	8	39,287	77,329	29,222	4,228	37	43,841
6310	Information origination/termination expense	228,117	44,430	10,199	157	173,330	278,313	53,408	12,749	1,250	210,907	320,306	67,883	10,796	299	241,328
6411	Poles	26,448	1,006	276	19,646	5,519	27,114	1,013	275	21,673	4,152	28,664	1,594	294	21,887	4,890
6421	Aerial cable	110,390	31,910	7,292	817	70,372	102,402	32,866	8,026	899	60,612	115,614	49,656	7,570	940	57,448
6422	Underground cable	16,222	4,243	1,120	38	10,821	14,601	3,899	1,023	55	9,623	17,304	5,978	1,167	29	10,129
6423	Buried cable	207,391	51,932	11,990	1,135	142,334	198,611	53,691	14,110	733	130,076	231,234	75,533	15,754	1,078	138,869
6424	Submarine cable	43	6	1	-	36	24	5	2	3	14	51	11	2	-	37
6425	Deep sea cable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6426	Intrabuilding network cable	774	304	60	0	410	578	171	39	-	368	450	219	25	-	205
6431	Aerial wire	973	287	64	1	622	649	208	47	0	393	716	324	45	0	347
6441	Conduit systems	1,544	115	31	7	1,391	1,147	99	36	3	1,009	1,357	141	31	5	1,180
6410	Cable and wire	363,784	89,803	20,834	21,644	231,504	345,125	91,807	23,529	23,376	206,414	395,389	133,458	24,889	23,938	213,105
650	Total Plant Specific Operations	1,034,815	219,856	49,831	74,896	690,232	1,050,022	232,729	56,333	83,004	677,956	1,216,310	299,137	54,496	86,674	776,004
Plant Nonspecific Operations																
6511	PHFTU	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-
6512	Provisioning	42,512	8,768	2,496	N/A	31,248	41,156	8,543	2,177	N/A	30,436	36,707	7,294	1,858	N/A	27,554
660	Clearance - Provisioning	31,575	7,798	2,252	N/A	21,525	28,479	6,082	1,718	N/A	20,678	25,656	5,397	1,488	N/A	18,771
665	Net Balance - Provisioning	10,937	970	245	N/A	9,722	12,677	2,435	449	N/A	9,793	11,050	1,896	371	N/A	8,783
6510	Other property plant and equipment expense	10,937	970	245	N/A	9,722	12,677	2,435	449	N/A	9,793	11,050	1,896	371	N/A	8,783
6531	Power	16,950	3	-	N/A	16,947	18,335	-	-	N/A	18,335	20,288	-	-	N/A	20,288

Copany: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,SC,TN,VA
 COSA: STPC

1994

1995

1996

TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS A ACCOUNT LEVEL REPORTING

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
6532	Network administration	66,501	28,652	7,161	N/A	30,687	79,563	30,164	7,792	N/A	41,607	59,750	32,536	7,811	N/A	19,403
6533	Testing	62,921	35,611	8,602	N/A	18,708	68,014	36,475	9,610	N/A	21,929	75,932	42,092	9,776	N/A	24,063
6534	Plant operations administration	272,977	196,415	43,701	N/A	32,860	269,467	198,323	40,343	N/A	30,801	262,866	191,512	39,490	N/A	31,864
670	Clearance - Plant operations administration	226,969	170,420	38,006	N/A	18,544	166,233	152,439	29,495	N/A	(15,702)	147,554	141,465	27,520	N/A	(21,430)
675	Net Balance - Plant operations administration\	46,008	25,996	5,695	N/A	14,317	103,234	45,046	10,543	N/A	47,645	115,311	50,047	11,970	N/A	53,294
6535	Engineering	101,727	61,740	13,835	N/A	26,153	98,558	57,686	12,716	N/A	28,156	110,576	62,597	13,701	N/A	34,277
680	Clearance - Engineering	47,794	32,725	7,178	N/A	7,891	33,962	44,875	9,725	N/A	(20,639)	24,345	36,180	7,770	N/A	(19,605)
685	Net Balance - Engineering	53,934	29,015	6,657	N/A	18,261	64,596	12,719	2,860	N/A	49,016	86,230	26,417	5,931	N/A	53,882
6530	Network operations	246,313	119,278	28,116	N/A	98,919	333,742	124,110	30,841	N/A	178,791	357,511	151,093	35,489	N/A	170,929
6540	Access	65,062	N/A	N/A	N/A	65,062	60,305	N/A	N/A	N/A	60,305	76,013	N/A	N/A	N/A	76,013
6561	Depreciation-TPIS	765,148	N/A	N/A	N/A	765,148	801,466	N/A	N/A	N/A	801,466	906,016	N/A	N/A	N/A	906,016
6562	Depreciation-PHFTU	15	N/A	N/A	N/A	15	57	N/A	N/A	N/A	57	367	N/A	N/A	N/A	367
6563	Amortization-tangible	2,550	N/A	N/A	N/A	2,550	5,004	N/A	N/A	N/A	5,004	6,363	N/A	N/A	N/A	6,363
6564	Amortization-intangible	10	N/A	N/A	N/A	10	60	N/A	N/A	N/A	60	0	N/A	N/A	N/A	0
6565	Amortization-other	4,173	N/A	N/A	N/A	4,173	2,732	N/A	N/A	N/A	2,732	1,954	N/A	N/A	N/A	1,954
6560	Depreciation & Amortization Expense	771,897	N/A	N/A	N/A	771,897	809,320	N/A	N/A	N/A	809,320	914,700	N/A	N/A	N/A	914,700
690	Total Plant Nonspecific Operations	1,094,210	120,248	28,361	N/A	945,601	1,216,044	122,919	30,761	N/A	1,062,364	1,359,274	152,990	35,859	N/A	1,170,425
Customer Operations																
6611	Product management	30,334	11,607	2,309	N/A	16,419	35,213	11,443	2,370	N/A	21,399	44,518	13,865	2,702	N/A	27,951
6612	Sales	86,218	41,590	6,864	N/A	37,764	99,469	45,279	8,110	N/A	46,079	106,011	49,417	7,475	N/A	49,118
6613	Product advertising	14,955	641	152	N/A	14,162	17,805	436	93	N/A	17,276	18,398	455	99	N/A	17,844
6610	Marketing expense	131,507	53,838	9,324	N/A	68,344	152,487	57,237	10,587	N/A	84,662	168,927	63,737	10,277	N/A	94,914
6621	Call completion	31,254	14,442	4,355	N/A	12,457	30,701	11,554	3,845	N/A	15,301	30,015	10,642	2,952	N/A	16,421
6622	Number services	50,310	21,137	6,110	N/A	23,062	61,348	23,254	7,643	N/A	30,451	69,451	27,314	8,635	N/A	33,502
6623	Customer services	279,919	125,606	33,478	N/A	120,835	276,990	130,086	37,608	N/A	109,297	305,075	139,931	39,457	N/A	125,687
6620	Services Expense	361,483	161,186	43,944	N/A	156,354	369,039	164,920	49,090	N/A	155,030	404,541	177,887	51,044	N/A	175,611
700	Total Customer Operations	492,990	215,024	53,268	N/A	224,698	521,526	222,325	59,741	N/A	239,460	573,468	241,624	61,320	N/A	270,524
Corporate Operations																
6711	Executive	27,447	14,608	1,990	N/A	10,849	23,637	11,200	1,822	N/A	10,615	24,920	12,112	2,171	N/A	10,638
6712	Planning	5,947	1,602	294	N/A	4,052	5,026	1,497	256	N/A	3,273	5,992	1,802	306	N/A	3,884
6710	Executive and Planning	33,394	16,209	2,284	N/A	14,901	28,662	12,684	2,075	N/A	13,903	30,912	13,913	2,477	N/A	14,522
6721	Accounting & finance	105,093	50,995	11,165	N/A	42,933	92,224	43,259	10,027	N/A	38,938	96,057	39,891	9,262	N/A	46,905
6722	External relations	44,838	12,968	2,362	N/A	29,508	45,903	13,715	2,765	N/A	29,423	55,494	14,304	2,737	N/A	38,454
6723	Human resources	50,303	17,482	3,913	N/A	28,908	46,452	16,976	3,708	N/A	25,769	50,331	16,265	3,702	N/A	30,364
6724	Information management	88,478	15,826	2,870	N/A	69,781	93,094	17,138	3,129	N/A	72,827	92,958	13,539	2,681	N/A	76,738
6725	Legal	8,174	1,888	182	N/A	6,105	10,144	1,976	273	N/A	7,895	10,742	2,057	349	N/A	8,336
6726	Procurement	7,246	3,829	1,025	N/A	2,391	6,856	3,868	973	N/A	2,014	6,743	3,702	867	N/A	2,174
6727	Research and development	4,008	25	5	N/A	3,978	- 4,260	2	1	N/A	4,257	4,335	-	-	N/A	4,335
6728	Other general and administrative	152,023	30,927	52,886	N/A	68,210	136,988	25,231	30,182	N/A	81,575	180,257	26,154	36,537	N/A	117,566
6720	General & Administrative	460,163	133,940	74,408	N/A	251,814	435,922	122,193	51,441	N/A	262,288	496,918	115,911	56,135	N/A	324,871
6790	Provision for uncollectible notes	-	N/A	N/A	N/A	-	133	N/A	N/A	N/A	133	183	N/A	N/A	N/A	183
710	Total Corporate Operations Expense	493,557	150,150	76,693	N/A	266,715	464,717	134,976	53,495	N/A	276,246	528,014	129,825	58,612	N/A	339,576
720	Total Operating Expenses	3,115,571	705,278	208,152	74,896	2,127,246	3,252,309	713,223	201,008	81,480	2,256,597	3,677,066	823,575	210,288	86,674	2,556,529
730	Income Before Other Operating Items and Taxes	1,071,630	N/A	N/A	N/A	N/A	1,206,847	N/A	N/A	N/A	N/A	1,420,264	N/A	N/A	N/A	N/A

Copany: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,Σ
 COSA: STPC
 TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLAS

1997

1998

1999

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
EXPENSE ACCOUNTS																
Plant Specific Operations																
6112	Motor vehicle	36,296	3,802	958	338	31,198	34,761	6,060	1,351	1,182	26,168	6,240	738	169	61	5,273
610	Clearance - Motor vehicle	31,921	2,436	759	(493)	29,219	29,438	4,597	1,125	493	23,222	2,126	168	40	(42)	1,960
615	Net Balance - Motor vehicle	4,375	1,371	198	853	1,954	5,323	1,473	224	695	2,933	4,114	585	126	156	3,248
6113	Aircraft	28	-	-	-	28	0	-	-	-	0	-	-	-	-	-
620	Clearance - Aircraft	(403)	(16)	(2)	(137)	(247)	-	-	-	-	-	-	-	-	-	-
625	Net Balance - Aircraft	431	16	2	137	275	0	-	-	-	0	-	-	-	-	-
6114	Tools and other work equipment	6	(0)	-	-	6	2	(0)	-	-	2	38	(0)	-	-	38
630	Clearance - Tools and other work equipment	5	(0)	-	-	5	(2)	(0)	-	-	(2)	(1)	-	-	-	(1)
635	Net Balance - Tools and other work equipment	1	0	-	-	1	4	0	-	-	4	40	(0)	-	-	40
6115	Garage work equipment	7	1	-	-	6	23	-	-	3	20	3	-	-	2	1
6116	Oteher work equipment	17,609	386	94	25	17,103	19,063	427	99	442	18,095	2,491	44	10	33	2,405
640	Clearance - Other work equipment	16,425	155	55	(273)	16,487	17,569	184	59	97	17,229	878	16	3	(10)	868
645	Net Balance - Other work equipment	1,184	226	38	324	596	1,494	241	40	351	862	1,613	25	6	98	1,484
6110	Network support	5,998	1,615	240	1,318	2,825	6,845	1,712	267	1,047	3,820	5,769	608	134	254	4,774
6121	Land & building	97,359	10,765	2,511	25,838	58,244	106,322	9,507	1,808	31,403	63,604	103,781	9,533	1,812	32,201	60,234
6122	Furniture & artworks	10,070	319	76	2,977	6,698	10,411	235	52	4,686	5,438	12,907	207	45	5,818	6,837
6123	Office equipment	22,136	4,363	580	6,675	10,519	20,958	3,468	378	7,129	9,983	17,101	2,704	309	5,368	8,720
6124	General purpose computers	152,006	4,922	998	34,444	111,641	145,063	5,434	945	47,870	90,814	173,808	6,651	1,149	58,043	107,964
6120	General support	281,571	20,411	4,165	68,990	188,006	282,753	18,708	3,183	89,797	171,066	307,597	19,191	3,321	99,672	185,413
6211	Analog electronic	164	92	18	0	54	240	55	11	-	175	231	44	7	-	180
6212	Digital electronic	154,934	52,417	8,760	57	93,700	146,004	39,355	6,138	52	100,459	186,455	48,977	7,661	62	129,755
6215	Electro-mechanical	1,958	1,004	120	181	654	886	344	21	155	367	356	162	8	18	168
6210	Central office-switching	157,056	53,642	8,921	237	94,255	147,130	39,910	6,197	206	100,817	187,042	49,384	7,712	79	129,867
6220	Operator systems	1,870	206	31	0	1,633	1,739	89	11	-	1,638	274	58	8	-	207
6231	Radio systems	832	354	47	35	395	801	206	27	9	559	710	172	24	8	507
6232	Circuit equipment	45,336	25,594	3,912	3,276	12,554	50,172	20,197	2,716	3,831	23,428	59,958	24,467	3,271	4,061	28,159
6230	Central office-transmission	46,168	25,960	3,962	3,326	12,921	50,973	20,399	2,744	3,825	24,005	60,669	24,619	3,291	4,039	28,720
6311	Station apparatus	147,050	17,228	2,516	492	126,814	192,946	25,175	1,424	116	166,232	269,217	31,709	3,249	917	233,342
6341	Large PBX	91,449	11,398	1,347	78	78,625	90,872	8,784	557	98	81,432	57,147	7,899	484	62	48,702
6351	Public telephone terminal equipment	21,464	5,762	882	20	14,800	22,898	5,025	547	295	17,031	24,490	3,072	449	214	20,755
6362	Other terminal equipment	75,821	34,276	4,601	154	36,791	64,092	19,522	2,996	14	41,559	53,685	17,407	2,484	14	33,780
6310	Information origination/termination expense	335,784	70,079	9,610	744	255,351	370,809	58,400	5,537	523	306,351	404,538	56,747	6,150	1,206	340,435
6411	Poles	27,549	1,490	201	24,863	995	25,693	1,578	115	21,420	2,579	31,071	4,593	144	23,292	3,042
6421	Aerial cable	103,702	54,606	6,803	133	42,161	106,287	39,641	4,004	86	62,555	107,175	40,008	4,110	89	62,968
6422	Underground cable	18,760	7,966	1,255	67	9,472	18,649	5,219	646	74	12,709	21,721	6,095	745	85	14,796
6423	Buried cable	218,137	101,392	13,592	1,169	101,984	225,839	76,660	8,531	1,065	139,583	257,333	87,859	9,615	1,181	158,678
6424	Submarine cable	55	9	1	-	44	12	3	1	-	8	6	1	0	0	4
6425	Deep sea cable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6426	Intrabuilding network cable	576	300	31	0	245	457	165	16	1	275	310	105	9	1	195
6431	Aerial wire	512	238	31	0	243	582	228	18	-	336	418	158	15	-	245
6441	Conduit systems	1,234	161	30	5	1,038	1,103	87	13	568	435	1,638	100	13	534	991
6410	Cable and wire	370,525	166,085	21,935	26,669	155,835	378,621	123,378	13,314	23,831	218,099	419,672	138,903	14,653	25,196	240,920
650	Total Plant Specific Operations	1,198,972	335,353	48,353	105,391	709,875	1,238,869	260,685	30,855	122,320	825,009	1,385,562	288,412	35,061	132,383	929,705
Plant Nonspecific Operations																
6511	PHFTU	-	-	-	N/A	-	0	-	-	N/A	0	0	-	-	N/A	0
6512	Provisioning	36,755	6,910	1,770	N/A	28,075	62,395	12,717	3,029	N/A	46,648	17,566	2,593	647	N/A	14,327
660	Clearance - Provisioning	26,631	4,589	1,361	N/A	20,681	53,707	10,759	2,886	N/A	40,062	4,254	-	-	N/A	4,254
665	Net Balance - Provisioning	10,124	2,321	409	N/A	7,394	8,687	1,958	143	N/A	6,586	13,312	2,593	647	N/A	10,073
6510	Other property plant and equipment expense	10,124	2,321	409	N/A	7,394	8,687	1,958	143	N/A	6,586	13,313	2,593	647	N/A	10,073
6531	Power	19,597	-	-	N/A	19,597	18,719	-	-	N/A	18,719	22,769	-	-	N/A	22,769

Copany: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,S
 COSA: STPC
 TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS

1997

1998

1999

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
6532	Network administration	60,455	31,752	6,987	N/A	21,716	58,918	26,055	5,063	N/A	27,800	57,045	26,244	5,172	N/A	25,629
6533	Testing	85,806	43,011	9,244	N/A	33,551	85,799	40,989	7,887	N/A	36,923	91,220	43,089	8,351	N/A	39,780
6534	Plant operations administration	271,597	187,655	38,875	N/A	45,067	253,928	197,156	39,444	N/A	17,330	71,565	39,438	8,231	N/A	23,896
670	Clearance - Plant operations administration	157,411	131,778	20,499	N/A	5,134	159,629	148,681	22,943	N/A	(11,995)	13,542	-	-	N/A	13,542
675	Net Balance - Plant operations administration\	114,186	55,877	18,376	N/A	39,932	94,299	48,474	16,500	N/A	29,325	58,023	39,438	8,231	N/A	10,353
6535	Engineering	107,221	56,558	12,470	N/A	38,194	92,726	51,475	11,231	N/A	30,020	57,511	29,588	6,718	N/A	21,204
680	Clearance - Engineering	27,060	24,944	6,067	N/A	(3,950)	27,667	13,811	5,428	N/A	8,429	3,592	-	-	N/A	3,592
685	Net Balance - Engineering	80,161	31,614	6,403	N/A	42,144	65,058	37,665	5,803	N/A	21,591	53,919	29,588	6,718	N/A	17,613
6530	Network operations	360,205	164,700	41,562	N/A	153,943	322,793	154,964	35,645	N/A	132,184	282,976	138,381	28,446	N/A	116,149
6540	Access	70,207	N/A	N/A	N/A	70,207	90,804	N/A	N/A	N/A	90,804	110,653	N/A	N/A	N/A	110,653
6561	Depreciation-TPIS	921,380	N/A	N/A	N/A	921,380	961,775	N/A	N/A	N/A	961,775	1,007,184	N/A	N/A	N/A	1,007,184
6562	Depreciation-PHFTU	460	N/A	N/A	N/A	460	21,669	N/A	N/A	N/A	21,669	78,887	N/A	N/A	N/A	78,887
6563	Amortization-tangible	4,802	N/A	N/A	N/A	4,802	2,379	N/A	N/A	N/A	2,379	-	N/A	N/A	N/A	-
6564	Amortization-intangible	4	N/A	N/A	N/A	4	16	N/A	N/A	N/A	16	-	N/A	N/A	N/A	-
6565	Amortization-other	2,848	N/A	N/A	N/A	2,848	721	N/A	N/A	N/A	721	224	N/A	N/A	N/A	224
6560	Depreciation & Amortization Expense	929,494	N/A	N/A	N/A	929,494	986,561	N/A	N/A	N/A	986,560	1,086,296	N/A	N/A	N/A	1,086,295
690	Total Plant Nonspecific Operations	1,370,030	165,180	41,547	N/A	1,163,303	1,408,846	156,421	35,673	N/A	1,216,752	1,493,238	143,237	29,600	N/A	1,320,400
Customer Operations																
6611	Product management	35,207	9,705	1,920	N/A	23,582	49,566	8,539	1,493	N/A	39,535	54,310	9,259	1,620	N/A	43,432
6612	Sales	118,302	53,613	8,453	N/A	56,236	130,554	64,410	7,569	N/A	58,575	140,838	69,188	8,273	N/A	63,377
6613	Product advertising	26,579	405	82	N/A	26,091	46,692	509	84	N/A	46,099	41,512	453	76	N/A	40,983
6610	Marketing expense	180,088	64,644	10,593	N/A	104,851	226,813	74,707	9,347	N/A	142,760	236,660	79,932	10,137	N/A	146,590
6621	Call completion	31,955	8,698	2,466	N/A	20,791	27,385	7,473	1,626	N/A	18,286	34,373	9,408	2,072	N/A	22,894
6622	Number services	64,747	22,723	7,253	N/A	34,771	54,082	19,765	5,333	N/A	28,985	47,804	17,030	4,700	N/A	26,075
6623	Customer services	315,967	125,168	34,238	N/A	156,561	347,580	127,045	28,996	N/A	191,539	387,767	141,534	31,739	N/A	214,494
6620	Services Expense	412,669	156,521	43,948	N/A	212,199	429,047	154,182	35,943	N/A	238,921	469,945	167,468	38,399	N/A	264,078
700	Total Customer Operations	592,757	221,966	54,836	N/A	315,955	655,859	229,985	45,696	N/A	380,178	706,605	248,475	48,924	N/A	409,206
Corporate Operations																
6711	Executive	19,566	6,137	1,127	N/A	12,302	11,031	3,365	387	N/A	7,279	8,877	2,532	526	N/A	5,819
6712	Planning	6,026	1,554	250	N/A	4,223	6,180	257	56	N/A	5,867	9,112	369	80	N/A	8,663
6710	Executive and Planning	25,592	7,720	1,381	N/A	16,492	17,211	3,693	455	N/A	13,063	17,988	3,024	626	N/A	14,337
6721	Accounting & finance	87,460	20,218	4,492	N/A	62,750	92,086	10,943	2,398	N/A	78,745	113,079	13,355	2,908	N/A	96,816
6722	External relations	58,220	11,926	2,092	N/A	44,202	59,130	12,967	1,732	N/A	44,431	60,939	13,099	1,721	N/A	46,119
6723	Human resources	47,079	11,745	2,607	N/A	32,726	50,265	11,083	2,135	N/A	37,048	57,305	12,674	2,441	N/A	42,190
6724	Information management	78,952	9,838	1,770	N/A	67,345	44,428	11,387	1,663	N/A	31,378	38,998	9,514	1,445	N/A	28,039
6725	Legal	10,630	1,646	297	N/A	8,687	11,311	1,895	307	N/A	9,111	13,485	2,239	370	N/A	10,876
6726	Procurement	5,710	2,712	623	N/A	2,375	11,531	2,254	446	N/A	8,829	19,405	3,670	755	N/A	14,980
6727	Research and development	4,972	27	1	N/A	4,944	7,054	0	0	N/A	7,053	10,114	1	0	N/A	10,113
6728	Other general and administrative	185,603	20,969	26,815	N/A	137,819	258,095	52,843	(65,820)	N/A	271,072	234,622	48,846	150,417	N/A	35,358
6720	General & Administrative	478,627	79,081	38,563	N/A	360,982	533,899	104,240	(58,685)	N/A	488,344	547,946	103,509	158,634	N/A	285,802
6790	Provision for uncollectible notes	28	N/A	N/A	N/A	28	68	N/A	N/A	N/A	68	12	N/A	N/A	N/A	12
710	Total Corporate Operations Expense	504,247	86,915	39,939	N/A	377,394	551,178	108,275	(58,252)	N/A	501,155	565,946	106,834	159,243	N/A	299,868
720	Total Operating Expenses	3,666,006	808,166	185,215	101,186	2,571,438	3,854,752	751,748	53,588	119,038	2,930,377	4,151,350	783,785	272,896	128,560	2,966,109
730	Income Before Other Operating Items and Taxes	1,350,132	N/A	N/A	N/A	N/A	1,366,995	N/A	N/A	N/A	N/A	1,414,951	N/A	N/A	N/A	N/A

Copany: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,CA
 COSA: STPC
 TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS

2000

2001

2002

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
EXPENSE ACCOUNTS																
Plant Specific Operations																
6112	Motor vehicle	5,344	615	150	64	4,516	5,004	567	137	48	4,252	461	67	10	(22)	405
610	Clearance - Motor vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
615	Net Balance - Motor vehicle	5,344	629	146	124	4,444	5,004	578	134	125	4,168	461	71	10	(29)	409
6113	Aircraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
620	Clearance - Aircraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
625	Net Balance - Aircraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6114	Tools and other work equipment	2	(0)	-	-	2	992	(0)	-	-	992	660	(0)	-	-	660
630	Clearance - Tools and other work equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
635	Net Balance - Tools and other work equipment	2	(0)	-	-	2	992	(0)	-	-	992	660	(0)	-	-	660
6115	Garage work equipment	8	-	-	2	6	-	-	-	-	-	-	-	-	-	-
6116	Other work equipment	1,299	26	6	22	1,245	-	-	-	-	-	-	-	-	-	-
640	Clearance - Other work equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
645	Net Balance - Other work equipment	1,299	24	5	54	1,216	-	-	-	-	-	-	-	-	-	-
6110	Network support	6,653	650	153	180	5,670	5,996	576	136	146	5,138	1,121	75	11	(6)	1,041
6121	Land & building	175,074	16,743	3,043	51,893	103,395	189,797	17,979	3,284	55,719	112,815	225,982	21,399	3,947	66,198	134,439
6122	Furniture & artworks	5,561	8	2	2,226	3,325	5,309	8	2	2,121	3,179	7,093	5	1	2,773	4,313
6123	Office equipment	8,999	1,359	164	2,869	4,605	9,484	1,417	179	2,922	4,966	3,933	652	80	1,152	2,048
6124	General purpose computers	179,005	7,021	1,230	59,507	111,247	163,644	6,386	1,132	53,760	102,366	120,160	4,749	822	38,475	76,113
6120	General support	368,640	25,170	4,428	115,477	223,566	368,235	25,812	4,583	113,833	224,007	357,168	26,780	4,830	109,193	216,365
6211	Analog electronic	129	25	3	-	100	72	9	1	-	62	30	2	0	-	28
6212	Digital electronic	92,995	24,583	3,931	31	64,449	97,963	25,905	4,111	35	67,912	96,373	25,744	4,115	39	66,475
6215	Electro-mechanical	425	72	4	258	91	295	60	3	149	83	166	8	1	144	13
6210	Central office-switching	93,547	24,784	3,957	289	64,518	98,330	26,081	4,134	183	67,931	96,570	25,865	4,136	182	66,386
6220	Operator systems	246	31	5	-	209	86	20	3	-	63	32	8	1	-	23
6231	Radio systems	922	231	34	7	650	902	244	42	10	607	986	266	43	12	665
6232	Circuit equipment	71,038	28,655	3,867	5,067	33,448	75,419	30,204	4,143	5,200	35,872	76,245	31,241	4,238	4,642	36,125
6230	Central office-transmission	71,959	28,859	3,896	5,037	34,167	76,322	30,418	4,180	5,165	36,560	77,231	31,474	4,275	4,611	36,871
6311	Station apparatus	210,777	23,053	2,274	782	184,668	209,936	23,989	2,424	654	182,869	196,659	21,908	2,144	869	171,739
6341	Large PBX	46,993	6,221	369	42	40,361	44,191	5,500	355	40	38,295	53,329	6,782	461	73	46,013
6351	Public telephone terminal equipment	15,911	1,910	301	76	13,624	11,499	1,284	190	88	9,937	8,708	917	134	117	7,540
6362	Other terminal equipment	49,981	16,105	2,343	13	31,520	50,079	16,114	2,233	13	31,720	41,135	13,329	1,821	10	25,975
6310	Information origination/termination expense	323,661	45,732	5,044	914	271,972	315,705	44,631	4,842	795	265,437	299,831	41,761	4,370	1,068	252,631
6411	Poles	33,389	4,201	162	25,838	3,187	30,196	3,931	162	23,198	2,905	33,049	3,992	173	25,151	3,733
6421	Aerial cable	87,098	32,727	3,361	71	50,940	74,891	28,472	2,936	59	43,425	71,128	26,917	2,781	54	41,376
6422	Underground cable	18,405	5,096	656	66	12,587	19,233	5,282	675	69	13,207	17,931	4,839	626	61	12,404
6423	Buried cable	246,303	84,118	9,270	1,183	151,732	220,922	75,536	8,332	1,068	135,986	210,758	71,588	7,902	1,015	130,252
6424	Submarine cable	15	3	0	-	12	3	0	0	-	3	3	0	0	-	3
6425	Deep sea cable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6426	Intrabuilding network cable	420	76	8	11	325	441	108	10	8	315	514	76	8	15	415
6431	Aerial wire	409	146	15	-	248	371	139	12	-	219	246	91	9	-	145
6441	Conduit systems	1,672	127	18	557	970	1,496	108	13	495	880	1,206	92	13	414	687
6410	Cable and wire	387,711	126,750	13,552	27,013	220,396	347,554	113,364	12,141	26,066	195,983	334,835	107,850	11,572	26,072	189,340
650	Total Plant Specific Operations	1,252,419	253,176	31,222	145,670	822,351	1,212,226	241,440	30,081	144,238	796,467	1,166,787	233,927	29,189	139,722	763,949
Plant Nonspecific Operations																
6511	PHFTU	0	-	-	N/A	0	-	-	-	N/A	-	-	-	-	N/A	-
6512	Provisioning	7,133	1,319	322	N/A	5,492	10,015	1,812	476	N/A	7,728	1,962	399	112	N/A	1,451
660	Clearance - Provisioning	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-
665	Net Balance - Provisioning	7,133	1,319	322	N/A	5,492	10,015	1,812	476	N/A	7,728	1,962	399	112	N/A	1,451
6510	Other property plant and equipment expense	7,133	1,319	322	N/A	5,492	10,015	1,812	476	N/A	7,728	1,962	399	112	N/A	1,451
6531	Power	26,537	-	-	N/A	26,537	29,665	-	-	N/A	29,665	29,874	-	-	N/A	29,874

Copany: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,S
 COSA: STPC
 TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS

2000

2001

2002

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
6532	Network administration	54,465	25,162	5,095	N/A	24,208	60,271	27,186	5,511	N/A	27,573	61,631	27,050	5,391	N/A	29,189
6533	Testing	87,878	41,614	8,139	N/A	38,125	83,461	38,946	7,620	N/A	36,894	80,785	39,048	7,644	N/A	34,094
6534	Plant operations administration	61,880	41,972	8,809	N/A	11,100	64,176	43,724	9,092	N/A	11,360	80,037	54,306	11,085	N/A	14,647
670	Clearance - Plant operations administration	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-
675	Net Balance - Plant operations administration\	61,880	41,972	8,809	N/A	11,100	64,176	43,724	9,092	N/A	11,360	80,037	54,306	11,085	N/A	14,647
6535	Engineering	54,251	29,856	6,550	N/A	17,844	44,613	24,504	5,429	N/A	14,680	48,949	27,061	5,977	N/A	15,911
680	Clearance - Engineering	-	-	-	N/A	-	-	-	-	N/A	-	-	-	-	N/A	-
685	Net Balance - Engineering	54,251	29,856	6,550	N/A	17,844	44,613	24,504	5,429	N/A	14,680	48,949	27,061	5,977	N/A	15,911
6530	Network operations	285,011	139,017	28,858	N/A	117,337	282,185	134,515	27,661	N/A	120,008	301,276	148,452	30,317	N/A	122,507
6540	Access	88,925	N/A	N/A	N/A	88,925	94,697	N/A	N/A	N/A	94,697	57,251	N/A	N/A	N/A	57,251
6561	Depreciation-TPIS	1,184,077	N/A	N/A	N/A	1,184,077	1,274,758	N/A	N/A	N/A	1,274,758	1,369,275	N/A	N/A	N/A	1,369,274
6562	Depreciation-PHFTU	50	N/A	N/A	N/A	50	47	N/A	N/A	N/A	47	0	N/A	N/A	N/A	0
6563	Amortization-tangible	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
6564	Amortization-intangible	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
6565	Amortization-other	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
6560	Depreciation & Amortization Expense	1,184,127	N/A	N/A	N/A	1,184,126	1,274,805	N/A	N/A	N/A	1,274,804	1,369,275	N/A	N/A	N/A	1,369,274
690	Total Plant Nonspecific Operations	1,565,195	142,892	29,554	N/A	1,392,749	1,661,701	139,592	28,871	N/A	1,493,238	1,729,764	152,473	31,262	N/A	1,546,029
Customer Operations																
6611	Product management	55,344	9,485	1,652	N/A	44,207	68,696	11,651	2,055	N/A	54,989	74,396	12,589	2,223	N/A	59,583
6612	Sales	133,845	65,439	8,034	N/A	60,372	135,700	66,727	8,151	N/A	60,822	121,184	66,144	8,038	N/A	47,003
6613	Product advertising	46,377	531	88	N/A	45,758	49,579	543	90	N/A	48,946	45,976	524	86	N/A	45,366
6610	Marketing expense	235,566	76,435	9,933	N/A	149,198	253,975	79,786	10,440	N/A	163,748	241,556	79,822	10,442	N/A	151,291
6621	Call completion	37,101	9,875	2,187	N/A	25,038	25,213	5,521	1,272	N/A	18,419	23,040	4,783	1,130	N/A	17,127
6622	Number services	45,444	16,265	4,614	N/A	24,564	33,785	9,836	2,857	N/A	21,092	27,901	9,739	2,830	N/A	15,332
6623	Customer services	398,555	145,558	32,760	N/A	220,237	405,676	147,376	33,612	N/A	224,688	400,421	145,299	33,063	N/A	222,059
6620	Services Expense	481,099	170,838	39,337	N/A	270,924	464,673	162,545	37,698	N/A	264,429	451,362	158,896	36,795	N/A	255,671
700	Total Customer Operations	716,665	248,192	49,624	N/A	418,849	718,647	243,353	48,530	N/A	426,765	692,917	239,520	47,551	N/A	405,846
Corporate Operations																
6711	Executive	13,512	3,991	798	N/A	8,723	11,056	3,127	641	N/A	7,289	12,484	3,538	730	N/A	8,216
6712	Planning	6,944	289	62	N/A	6,594	9,972	391	84	N/A	9,496	10,298	401	86	N/A	9,812
6710	Executive and Planning	20,457	4,345	872	N/A	15,239	21,028	3,652	748	N/A	16,627	22,782	4,075	840	N/A	17,867
6721	Accounting & finance	99,180	11,524	2,511	N/A	85,145	81,616	9,311	2,028	N/A	70,277	60,760	6,941	1,520	N/A	52,298
6722	External relations	55,915	12,039	1,554	N/A	42,322	60,287	13,089	1,668	N/A	45,530	52,258	11,630	1,570	N/A	39,058
6723	Human resources	46,053	10,160	1,972	N/A	33,922	59,599	12,941	2,520	N/A	44,137	41,734	12,917	2,513	N/A	26,304
6724	Information management	27,346	6,039	940	N/A	20,367	28,342	5,214	862	N/A	22,266	41,382	7,960	1,241	N/A	32,181
6725	Legal	11,800	1,951	334	N/A	9,515	11,635	1,946	337	N/A	9,352	10,094	1,867	317	N/A	7,909
6726	Procurement	14,941	2,888	576	N/A	11,476	23,781	4,581	943	N/A	18,257	20,983	4,046	804	N/A	16,132
6727	Research and development	8,408	1	0	N/A	8,408	10,115	1	0	N/A	10,115	2,794	0	0	N/A	2,794
6728	Other general and administrative	153,414	29,411	82,342	N/A	41,661	175,628	35,163	128,767	N/A	11,698	293,030	59,992	205,408	N/A	27,629
6720	General & Administrative	417,058	74,199	88,825	N/A	254,034	451,004	81,577	136,595	N/A	232,832	523,033	106,485	212,099	N/A	204,448
6790	Provision for uncollectible notes	-	N/A	N/A	N/A	-	46	N/A	N/A	N/A	46	-	N/A	N/A	N/A	-
710	Total Corporate Operations Expense	437,515	78,613	89,691	N/A	269,211	472,077	85,350	137,343	N/A	249,384	545,816	110,730	212,933	N/A	222,152
720	Total Operating Expenses	3,971,794	721,066	200,547	143,873	2,906,308	4,064,652	709,161	245,894	143,265	2,966,332	4,135,284	737,690	321,960	140,868	2,934,766
730	Income Before Other Operating Items and Taxes	1,669,862	N/A	N/A	N/A	N/A	1,604,641	N/A	N/A	N/A	N/A	1,488,004	N/A	N/A	N/A	N/A

Company: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,CA
 COSA: STPC
 TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS

2003

2004

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
EXPENSE ACCOUNTS											
Plant Specific Operations											
6112	Motor vehicle	93	25	5	4	59	267	46	10	7	204
610	Clearance - Motor vehicle	-	-	-	-	-	-	-	-	-	-
615	Net Balance - Motor vehicle	93	25	5	12	51	267	47	10	25	185
6113	Aircraft	-	-	-	-	-	-	-	-	-	-
620	Clearance - Aircraft	-	-	-	-	-	-	-	-	-	-
625	Net Balance - Aircraft	-	-	-	-	-	-	-	-	-	-
6114	Tools and other work equipment	316	(0)	-	-	316	12	(0)	-	-	12
630	Clearance - Tools and other work equipment	-	-	-	-	-	-	-	-	-	-
635	Net Balance - Tools and other work equipment	316	(0)	-	-	316	12	(0)	-	-	12
6115	Garage work equipment	-	-	-	-	-	-	-	-	-	-
6116	Other work equipment	-	-	-	-	-	295	-	-	-	295
640	Clearance - Other work equipment	-	-	-	-	-	-	-	-	-	-
645	Net Balance - Other work equipment	-	-	-	-	-	295	-	-	-	295
6110	Network support	409	28	5	37	339	574	53	9	50	462
6121	Land & building	206,714	19,431	3,635	59,470	124,177	203,193	6,299	1,615	90,360	104,920
6122	Furniture & artworks	4,480	86	19	2,262	2,114	4,170	5	1	3,223	940
6123	Office equipment	2,512	388	47	802	1,275	1,352	9	1	840	502
6124	General purpose computers	116,206	4,543	808	36,115	74,740	91,574	425	99	5,307	85,743
6120	General support	329,912	24,403	4,484	99,241	201,784	300,288	6,680	1,689	100,578	191,340
6211	Analog electronic	(3)	(0)	(0)	-	(3)	1	-	-	-	1
6212	Digital electronic	100,004	26,872	4,262	39	68,830	98,978	3,650	618	35	94,675
6215	Electro-mechanical	155	5	0	144	6	155	0	0	155	(0)
6210	Central office-switching	100,156	27,022	4,289	182	68,663	99,134	3,777	641	190	94,526
6220	Operator systems	81	18	2	-	60	415	7	1	-	407
6231	Radio systems	728	209	31	11	477	800	1	0	-	798
6232	Circuit equipment	81,420	33,514	4,486	4,985	38,435	84,361	5,138	980	1,886	76,358
6230	Central office-transmission	82,148	33,690	4,511	4,949	38,997	85,161	5,102	974	1,834	77,251
6311	Station apparatus	201,694	22,868	2,295	925	175,606	168,046	4,285	710	-	163,051
6341	Large PBX	56,584	7,016	487	87	48,994	59,277	-	-	-	59,277
6351	Public telephone terminal equipment	7,325	751	116	81	6,377	2,065	43	5	-	2,017
6362	Other terminal equipment	34,379	11,099	1,593	7	21,680	37,137	1,028	192	419	35,498
6310	Information origination/termination expense	299,982	40,614	4,310	1,100	253,958	266,524	4,553	782	419	260,771
6411	Poles	33,140	4,243	151	25,230	3,515	34,648	52	10	30,065	4,522
6421	Aerial cable	79,384	30,132	3,100	61	46,090	80,256	1,757	324	47	78,127
6422	Underground cable	15,940	4,334	560	56	10,989	16,395	62	9	16	16,308
6423	Buried cable	218,933	74,258	8,384	1,000	135,291	252,474	4,398	738	420	246,917
6424	Submarine cable	22	5	1	-	17	36	-	-	-	36
6425	Deep sea cable	-	-	-	-	-	-	-	-	-	-
6426	Intrabuilding network cable	403	44	4	13	342	787	1	1	-	785
6431	Aerial wire	299	103	11	-	183	193	3	1	-	189
6441	Conduit systems	596	42	6	188	360	1,498	41	(0)	5,658	(4,200)
6410	Cable and wire	348,717	113,398	12,277	26,023	197,018	386,287	6,547	1,142	35,627	342,970
650	Total Plant Specific Operations	1,161,405	238,716	29,782	131,034	761,870	1,138,384	26,362	5,166	138,029	968,827
Plant Nonspecific Operations											
6511	PHFTU	-	-	-	N/A	-	-	-	-	N/A	-
6512	Provisioning	2,423	511	136	N/A	1,776	2,530	532	148	N/A	1,850
660	Clearance - Provisioning	-	-	-	N/A	-	-	-	-	N/A	-
665	Net Balance - Provisioning	2,423	511	136	N/A	1,776	2,530	532	148	N/A	1,850
6510	Other property plant and equipment expense	2,423	511	136	N/A	1,776	2,530	532	148	N/A	1,850
6531	Power	32,198	-	-	N/A	32,198	30,857	-	-	N/A	30,857

Company: Sprint Local Telephone Company
 Study Area: FL,IN,NV,NC,OH,NJ,PA,KS,MN,MO,NE,TX,WY,OR,WA,S
 COSA: STPC
 TABLE I-1 - INCOME STATEMENT ACCOUNTS - CLASS

2003

2004

Row No.	Account Title (aa)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)	Total (ab)	Salaries and Wages (ac)	Benefits (ad)	Rents (ae)	Other Expenses (af)
6532	Network administration	72,032	32,199	6,295	N/A	33,538	89,743	33,090	7,565	N/A	49,088
6533	Testing	88,370	42,635	8,286	N/A	37,449	68,905	22,294	5,377	N/A	41,235
6534	Plant operations administration	77,102	52,151	10,648	N/A	14,304	53,473	35,422	7,314	N/A	10,737
670	Clearance - Plant operations administration	-	-	-	N/A	-	-	-	-	N/A	-
675	Net Balance - Plant operations administration\	77,102	52,151	10,648	N/A	14,304	53,473	35,422	7,314	N/A	10,737
6535	Engineering	45,722	24,988	5,481	N/A	15,253	37,472	20,276	4,440	N/A	12,756
680	Clearance - Engineering	-	-	-	N/A	-	-	-	-	N/A	-
685	Net Balance - Engineering	45,722	24,988	5,481	N/A	15,253	37,472	20,276	4,440	N/A	12,756
6530	Network operations	315,424	152,542	30,831	N/A	132,052	280,450	111,193	24,722	N/A	144,536
6540	Access	120,862	N/A	N/A	N/A	120,862	116,647	N/A	N/A	N/A	116,647
6561	Depreciation-TPIS	1,328,956	N/A	N/A	N/A	1,328,955	1,219,746	N/A	N/A	N/A	1,219,746
6562	Depreciation-PHFTU	0	N/A	N/A	N/A	0	0	N/A	N/A	N/A	0
6563	Amortization-tangible	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
6564	Amortization-intangible	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
6565	Amortization-other	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
6560	Depreciation & Amortization Expense	1,328,956	N/A	N/A	N/A	1,328,955	1,219,746	N/A	N/A	N/A	1,219,746
690	Total Plant Nonspecific Operations	1,767,666	157,047	31,888	N/A	1,578,731	1,619,373	116,090	25,889	N/A	1,477,394
Customer Operations											
6611	Product management	79,644	13,534	2,377	N/A	63,733	58,250	4,367	797	N/A	53,085
6612	Sales	144,384	78,248	9,542	N/A	56,594	204,230	23,893	4,572	N/A	175,765
6613	Product advertising	42,202	474	77	N/A	41,651	59,111	106	27	N/A	58,978
6610	Marketing expense	266,230	92,868	12,091	N/A	161,272	321,591	30,273	5,686	N/A	285,632
6621	Call completion	15,399	3,082	722	N/A	11,595	17,688	3,204	788	N/A	13,697
6622	Number services	26,019	9,196	2,634	N/A	14,189	23,528	11,712	2,905	N/A	8,911
6623	Customer services	374,254	136,468	30,756	N/A	207,031	324,714	118,389	27,161	N/A	179,164
6620	Services Expense	415,673	147,711	33,850	N/A	234,112	365,931	132,686	30,699	N/A	202,546
700	Total Customer Operations	681,903	241,673	46,382	N/A	393,848	687,521	164,633	37,092	N/A	485,796
Corporate Operations											
6711	Executive	20,238	5,747	1,175	N/A	13,317	13,309	1,111	219	N/A	11,978
6712	Planning	9,971	390	84	N/A	9,497	21,941	403	97	N/A	21,442
6710	Executive and Planning	30,210	6,245	1,278	N/A	22,687	35,250	1,834	371	N/A	33,046
6721	Accounting & finance	55,458	6,556	1,429	N/A	47,473	55,748	4,508	1,048	N/A	50,192
6722	External relations	48,097	10,870	1,465	N/A	35,762	43,176	3,223	568	N/A	39,385
6723	Human resources	41,517	13,276	2,506	N/A	25,735	44,564	3,129	682	N/A	40,753
6724	Information management	53,350	10,448	1,619	N/A	41,283	75,346	1,572	381	N/A	73,393
6725	Legal	12,600	2,424	412	N/A	9,764	10,304	269	67	N/A	9,969
6726	Procurement	17,845	3,372	695	N/A	13,778	12,497	367	99	N/A	12,031
6727	Research and development	4,437	0	0	N/A	4,436	7,089	-	-	N/A	7,089
6728	Other general and administrative	427,172	86,902	273,722	N/A	66,548	392,214	9,950	69,106	N/A	313,158
6720	General & Administrative	660,476	136,267	280,077	N/A	244,131	640,938	25,663	70,424	N/A	544,851
6790	Provision for uncollectible notes	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A	-
710	Total Corporate Operations Expense	690,685	142,623	281,354	N/A	266,708	676,188	27,550	70,801	N/A	577,837
720	Total Operating Expenses	4,301,659	781,881	390,453	132,646	2,996,676	4,121,466	335,204	139,643	140,346	3,506,272
730	Income Before Other Operating Items and Taxes	1,391,964	N/A	N/A	N/A	N/A	1,485,105	N/A	N/A	N/A	N/A

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **COMMENTS OF SPRINT CORP.** was filed and copies sent by electronic mail on this the 13th day of June 2005 to the below-listed parties.


Christine Jackson

June 13, 2005

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