

Methodology for Qwest Impact Analysis

Using the most recent run of the Synthesis Model,

1. For all wire centers included in the model, \$33 (Qwest's benchmark) was subtracted from the model cost.
2. The number of CLEC lines and the ILEC lines in each wire center were added together.¹
3. For wire centers with cost greater than \$33, the difference between model cost and \$33 was multiplied by the total number of lines in the wire center to determine wire center support under Qwest's algorithm.
4. Preliminary state support under the algorithm was determined by summing the support in each wire center in that state.
5. Preliminary national support under the algorithm was calculated by summing the support for all states.
6. The state share of national support was determined by dividing the preliminary state support by the preliminary national support.
7. Final state support (Column B in the spreadsheet) was determined by multiplying the state share of national support by total national model support, \$292,744,423. (That value is reported in the USAC Appendix HC 16 for the fourth quarter of 2005.)

The other calculations are obvious from the spreadsheet.

¹ The number of lines per wire center is proprietary.