Coming back to landline

Figure 6

Reasons for Returning to Landline Service—Q2 2008	
I need my landline telephone service for another product or service (e.g., alarm system, fax, internet, TiVo)	17%
It was expensive to use my cell phone for all my calls	12%
Because it's cheaper to bundle internet and TV with landline phone service	11%
The safety and reliability of having a landline phone (e.g., for 911 service)	10%
Poor cell phone network quality at home (no signal, too many blocked/dropped calls)	10%
Because its convenient to bundle landline phone service with other services (internet, TV)	9%
Other people in my household want/need a landline phone	9%
Other	7%
I need a landline phone for work	5%
I prefer making calls on a landline phone	5%
For international calling	3%
The ability to have multiple landline phones in the house	3%

Source: Nielsen Mobile Wireless Substitution Report, Q2 2008

Even with these savings, a few of these cord cutters return to wireline. Our research shows that 10 percent of U.S. households with landline phone service in Q2 2008 were previously wireless substitutors[9] at some point in time. When we look at the landline tenure of these former wireless substitutors, approximately 1 percent of wireless substitutors may return in any given quarter.

Among wireless substitutors who go back to landline services, we'll call them cord menders, 47 percent go back to a traditional landline operator, while others experiment with newer alternatives. 46 percent of these cord menders adopt cable phone systems, and 9 percent choose a VoIP provider.[10] Cord menders indicate that they come back because they need the landline for another service, it's convenient to bundle with other services, it's too expensive to make all calls on their cell phone or the mobile coverage in their home was not satisfactory.

But I need a landline!

Among both cord menders and landline users who haven't gone wireless only, it's clear that additional services that require, or are perceived to require, a landline are an important driver for maintaining a landline connection. For instance, today DSL internet can be delivered without a landline through what's known as "dry-loop" DSL, although some consumers believe they need to retain a landline for their DSL service. Many fax machines still require a landline, and satellite TV customers also need a landline connection if they want to use the pay-per-view feature. Also, many home alarm systems need to be hooked up to a landline in order to contact the monitoring company.

In addition to services, mobile coverage is sometimes perceived to be insufficient for would-be or former wireless substitutors. Dropped calls and poor audio quality are sure to drive down overall network satisfaction. As mentioned above, one of the leading indicators of a market's susceptibility to wireless substitution is this overall network satisfaction.[11] The better the coverage, the more likely a subscriber is to be a cord cutter and vice versa.

Lastly, some reluctance to wireless substitution comes from the perception that it does not save as much money expected. While the average increase in a cord cutter's mobile bill is $6.69 per person, that benefit can switch in the landline's favor as additional wireless lines are added to the household's rate plan. That is to say, for smaller households who manage their minutes wisely, the cost savings should be realized as intended, but for households with multiple subscribers, who may all increase their usage and billed wireless expenditures, the cost savings might in fact be less than imagined. For most households, though, the financial benefits of wireless substitution should outweigh the costs.

9 Nielsen Mobile Wireless Substitution Report, Q2 2008
10 Ibid.
11 Nielsen Mobile Wireless Substitution Model

Those other important connections

Considering the expanding universe of wireless substitutors and the real cost savings it presents to some consumers, which cord is next? To consider that question, we examine the current communications' subscriptions for wireless substitutors.

Today, wireless substitutors are less likely to have satellite TV (16 percent) when compared to the average U.S. household (27 percent) and are more likely to use over-the-air/broadcast TV (15 percent) when compared to the average household (12 percent).

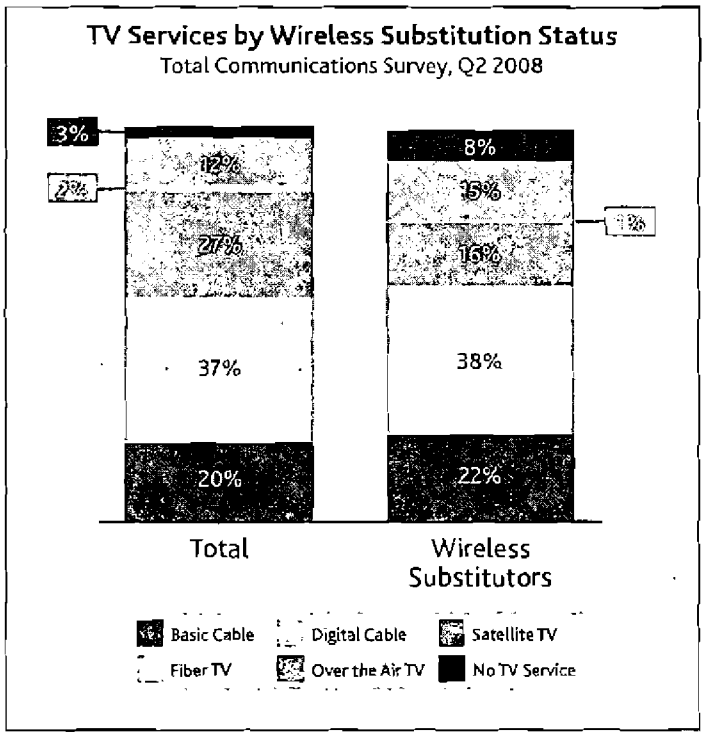
The increase in "no TV service" and "over-the-air TV" may be due to the lower income and younger ages of this population and to the increased availability of content and programming over the internet. It turns out that wireless substitutors tend to be of the same demographic who reports watching TV on their PC. Some wireless substitutors may, therefore, also forego the costs of cable or satellite TV by plugging their PC directly into a television to stream video, although the vast majority of all households continue to subscribe to some form of television service.

From an internet perspective, cord cutters are more likely to have a cable modem for internet use (62 percent) when compared to the average U.S. household (44 percent) and are far less likely to have DSL (13 percent) compared to the average household (37 percent). Wireless substitutors over index on the use of wireless internet, as well.

As an additional player in the substitution space, wireless data cards—PC cards that allow a computer user to connect to the internet via a wireless carrier's network—are also increasingly popular. Once thought to be the critical accessory for road warriors, Nielsen recently reported that 43 percent of data card users say they most often use their data card at home, and 59 percent of data users say they might swap out their home ISP in favor of data card access. Clearly, Internet access is the next frontier of wireless substitution.

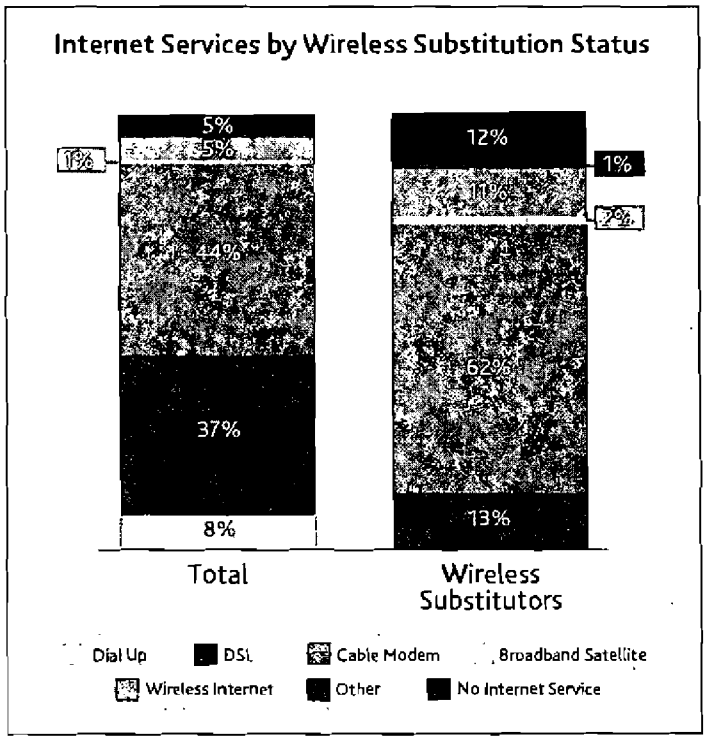
As we analyze these broader communications preferences, it seems clear that wireless substitutors are leading a trend of new substitution dynamics that are not confined to the voice category. In the coming years we'll be watching this audience, and the overall universe of households, closely.

Figure 7



Source: Nielsen Mobile Total Communications Survey, Q2 2008

Figure 8



Source: Nielsen Mobile Total Communications Survey, Q2 2008

nielsen

Conclusion

Voice wireless substitution continues at an impressive clip. The overall universe of wireless substitutors is growing steadily, and the demographics of this audience are expanding beyond the young and lower-income groups. The economics of wireless substitution suggest that it is a financially efficient maneuver for many families, and we expect this trend to continue steadily, with at least one in five households cutting the cord by year's end.

What does the trend mean for communications companies? There is a new segment of the population who is choosing a different home communications and entertainment framework. Traditional landline companies can try to combat this trend on cost, but the tide is against them. The best opportunities will go to the companies who can adapt to a new paradigm in home connectivity. The battle for simply the phone line or the living room or the PC connection is over. Today's prize is a much broader customer relationship to be won only by seamless connectivity, competitive pricing and a more holistic understanding of the communications consumer.

About Nielsen Mobile

Nielsen Mobile, a service of The Nielsen Company, is the world's largest independent provider of syndicated consumer research to the telecom and mobile media markets. Nielsen Mobile focuses exclusively on tracking the behavior, attitudes and experiences of mobile consumers; their reports also provide up to seven years of data on Internet, video, gaming, audio and advertising trends for mobile phone users. Nielsen's technology-driven research provides unique and holistic insight into how mobile customers use their devices and what they think about brands, devices and services.

About The Nielsen Company

The Nielsen Company is a leading global information and media company providing essential integrated marketing and media measurement information and analytics and industry expertise to clients across the world. Nielsen maintains leading market positions in marketing and consumer information; television, online, mobile and other media intelligence; and trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). Nielsen is a privately held company and is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.

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nielsen

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EXHIBIT 5

MARKETSTRATEGIES
INTERNATIONAL

UNDERSTANDING WIRELESS-ONLY VERSUS WIRE-LINE PENETRATION IN THE PHOENIX METROPOLITAN AREA

FINAL REPORT
November 10, 2008

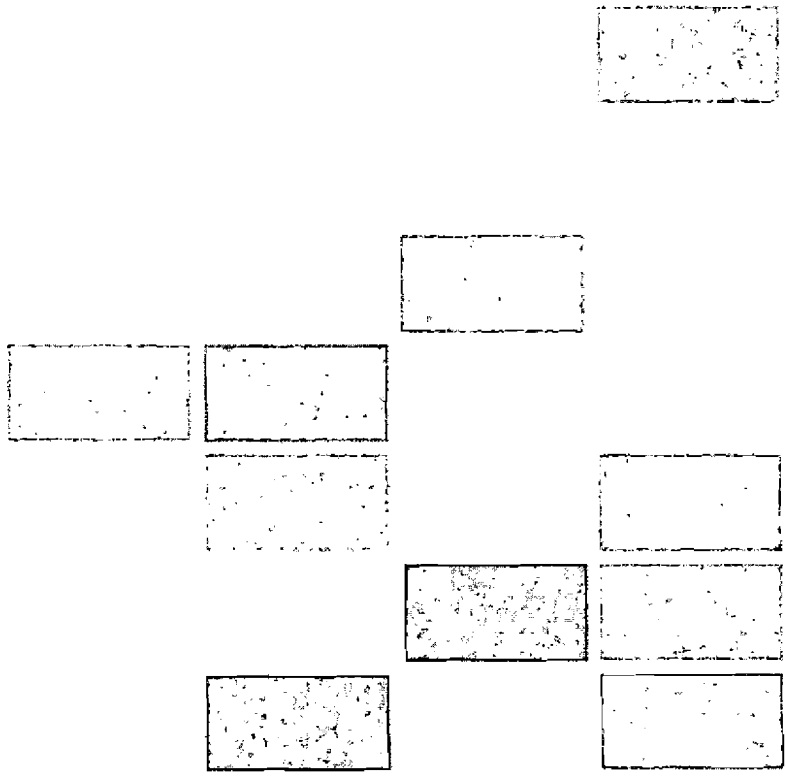

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TABLE OF CONTENTS

SUMMARY OF FINDINGS

Market Strategies has initiated a research effort to determine the penetration of wireless-only households in the Phoenix MSA. We believe that the following information provides reliable penetration estimations of wireless-only, wireline-only and mixed wireless/wireline households.

In short, wireless-only households comprise approximately one in four households in the Phoenix MSA (25%), while just less than two-thirds contain both wireless and wireline (63%) and the remainder are wireline-only (12%).

The following provides a detailed summary of our research approach and the subsequent findings.

KEY PROJECT OBJECTIVES

The objectives of this initiative include:

- Understand the overall percentage of wireless-only versus wire-line households in the Phoenix MSA
- Understand wireless-only household penetration relative to wire-line in the Phoenix MSA by key demographic characteristics as best we can within our sample size, including age, ethnicity, income, etc.
- Report on wireless providers overall share in the Phoenix market

RESEARCH METHODOLOGY

To address these objectives, the following research program was put in place:

- Market Strategies generated a representative list of wireless telephone numbers in the Phoenix MSA. From this list, we executed a 5-minute telephone survey among adults (age 18+) who have working wireless telephone numbers to determine what percent are from a household without a landline.
- In addition, we generated a representative list of wireline numbers and conducted a similar survey to determine what percentage has no cellular service at all.
- By combining the results of both surveys, Market Strategies has determined the percentage of Phoenix households that are:
    - Wireless-only
    - Wireline-only
    - Mix of wireless and wireline

- The following is the sample structure for this research, which yields the desired +/- 5% confidence interval overall:

Cell #1: Wireless-only households	N=383
Cell #2: Wireline households	N=408
Total number of interviews	**N=791**

  - With these completed interviews, we have multiplied the percentage of wireless-only to the total household base and have the wireless percentage for Phoenix within our desired +/- 5% confidence interval.

- Where sample sizes are sufficient, we have provided results by demographics of interest.

- Throughout this report, Market Strategies has denoted where statistically significant differences exist between groups. Statistically significant differences within a confidence interval of 95% are noted via capital letters beside data where a statistically significant difference exists relative to another population group.

  - For example, in the following chart from page 5, each column of data (each population) is headed by a capital letter – A through C. Also, there is a capital letter beside the 77% from the Mixed Households group. This indicates that 77% of the Mixed Household population is Caucasian, and this percentage is significantly higher than the corresponding column, in this case, Wireless-only Households which has 63% of its population being Caucasian, at a 95% level of confidence. Notations are only made on the data points that are statistically higher than the corresponding group (i.e., notations are not made on the groups where the statistically significant difference is lower).

Figure 2: Wireless vs. Wireline Composition of Phoenix MSA Households by Ethnicity

Ethnicity	Wireless-Only Households (N=194) (A)	Wireline-Only Households (N=99) (B)	Mixed Households – Wireless & Wireline (N=498) (C)
Caucasian	63%	72%	77%[A]

- The following pages illustrate the findings from this research effort.

RESEARCH FINDINGS

Figure 1: Overall Wireless vs. Wireline Composition of Phoenix MSA Households
(N=791)

As illustrated below, wireless-only households comprise approximately one in four households in the Phoenix MSA (25%), while just less than two-thirds contain both wireless and wireline (63%) and the remainder are wireline-only (12%).

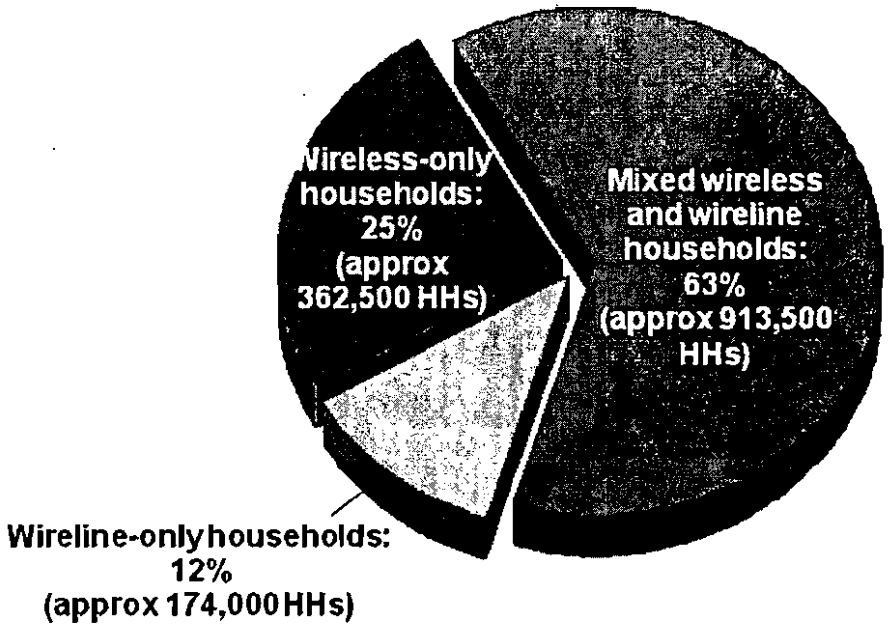


Figure 2: Wireless vs. Wireline Composition of Phoenix MSA Households by Ethnicity

Mixed wireless/wireline households have the greatest percentage of Caucasians (77%), while wireless-only households have the highest population of Hispanics (24%), and subsequently, the lowest percentage of Caucasians (63%).

Ethnicity	Wireless-Only Households (N=194) (A)	Wireline-Only Households (N=99) (B)	Mixed Households – Wireless & Wireline (N=498) (C)
Caucasian	63%	72%	77%[A]
African-American	4%	4%	5%
American Indian or Alaskan Native	3%	--	1%
Asian	1%	1%	1%
Hawaiian/Pacific Islander	1%	--	1%
Hispanic/Mexican	24%[C]	14%	12%
Other ethnicity	4%[B]	--	2%[B]
Did not answer	2%	8%[AB]	1%

Note: Letters beside data indicate statistically significant differences between household phone type at a 95% level of confidence.

Figure 3: Wireless vs. Wireline Composition of Phoenix MSA Households by Number of People in Household

Wireline-only households have the greatest proportion of single persons (34%). Conversely, wireless-only and mixed wireless/wireline households are much more likely to be made up of multiple person households (75% of wireless-only households have two people or more and 81% for mixed vs. 64% for wireline-only). Mixed wireless/wireline households have the greatest number of large households (18% have 5 people or more).

Number of people in household	Wireless-Only Households (N=194) (A)	Wireline-Only Households (N=99) (B)	Mixed Households – Wireless & Wireline (N=498) (C)
1	25%	34%[C]	18%
2-4	64%[B]	51%	63%[B]
5+	11%	13%	18%[A]
Did not answer	--	2%	1%

Note: Letters beside data indicate statistically significant differences between household phone type at a 95% level of confidence.

Figure 4: Wireless vs. Wireline Composition of Phoenix MSA Households by 2007 Household Income

Wireless-only households tend to be of lower income, with seven in ten (70%) having a 2007 total household income of under $75,000 and over one in four (28%) making less than $25,000. Similarly, two-thirds of wireline-only households have incomes under $75,000 (66%), with approximately one in three (33%) making less than $25,000. Mixed wireless/wireline households, conversely, are comprised of many more upper income households, with nearly two in five (38%) having incomes of $75,000 or more and one in five (21%) being $100,000+.

2007 Household Income	Wireless-Only Households (N=194) (A)	Wireline-Only Households (N=99) (B)	Mixed Households – Wireless & Wireline (N=498) (C)
Less than $25,000	28%[C]	33%[C]	9%
$25,000 to less than $75,000	42%	33%	34%
$75,000-$100,000	7%	2%	17%[AB]
$100,000+	6%	2%	21%[AB]
Did not answer	15%	30%[AC]	19%

Note: Letters beside data indicate statistically significant differences between household phone type at a 95% level of confidence.

Figure 5: Wireless vs. Wireline Composition of Phoenix MSA Households by Age of Respondent

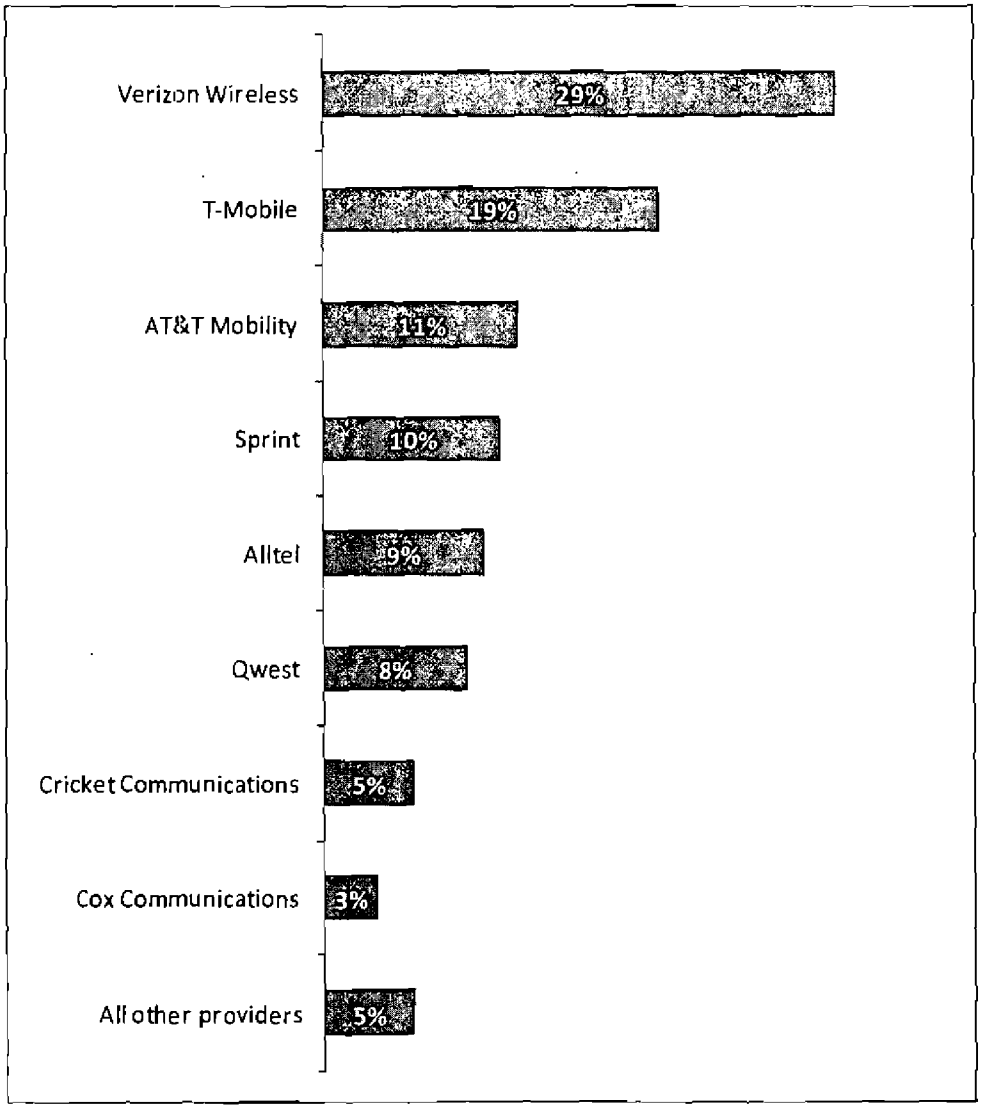
Wireless-only households tend to be under 35 years of age (66%), while wireline-only households tend to be 55 or older (61%). Mixed wireless/wireline households are primarily 35 years of age and older (80%).

Age of respondent	Wireless-Only Households (N=194) (A)	Wireline-Only Households (N=99) (B)	Mixed Households – Wireless & Wireline (N=498) (C)
18-24	32%[BC]	4%	5%
25-34	34%[BC]	7%	14%[B]
35-54	24%	27%	42%[AB]
55+	10%	61%[AC]	38%[A]
Did not answer	--	1%	1%

Note: Letters beside data indicate statistically significant differences between household phone type at a 95% level of confidence.

Figure 6: Wireless Share of Market*
Among Wireless-only and Mixed Households Combined
(N=692)

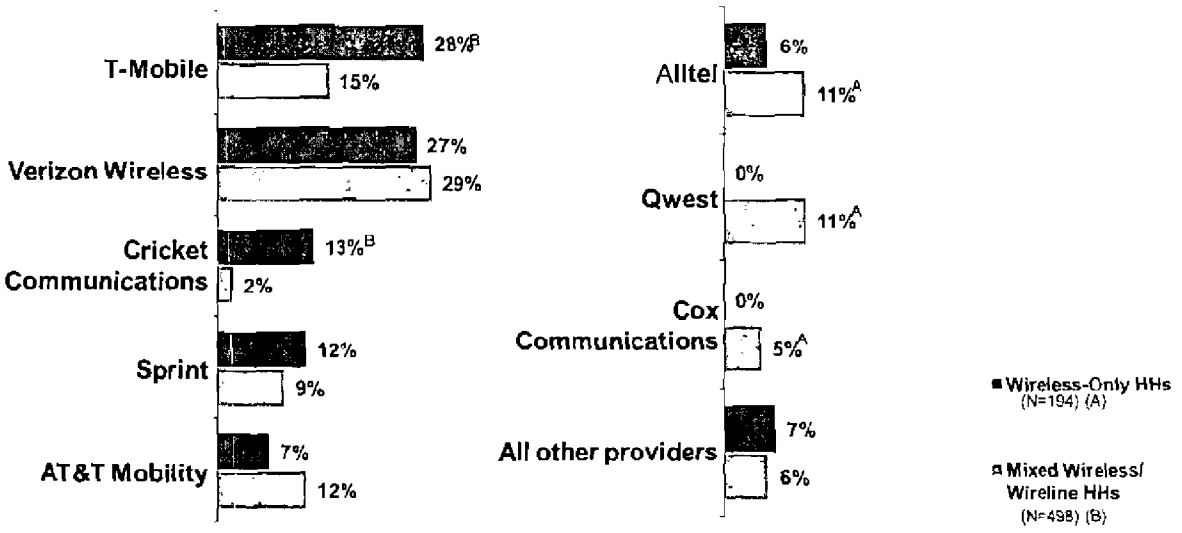
Among households with at least one wireless phone (wireless-only households + mixed wireless/wireline households), Verizon Wireless and T-Mobile own the greatest share of the wireless market in the Phoenix area, followed at a distance by AT&T Mobility, Sprint, Alltel,, Qwest and Cox Communications.



**Wireline market share was not asked in this survey.*

Figure 7: Wireless Share of Market by Wireless-Only & Mixed Households Individually

There are differences in wireless market share when looking at wireless-only and mixed households separately: T-Mobile and Cricket Communications primarily sell to wireless-only households, while Alltel, Qwest and Cox Communications have greater share among mixed households (likely due to bundled offering partnerships with other communications providers).



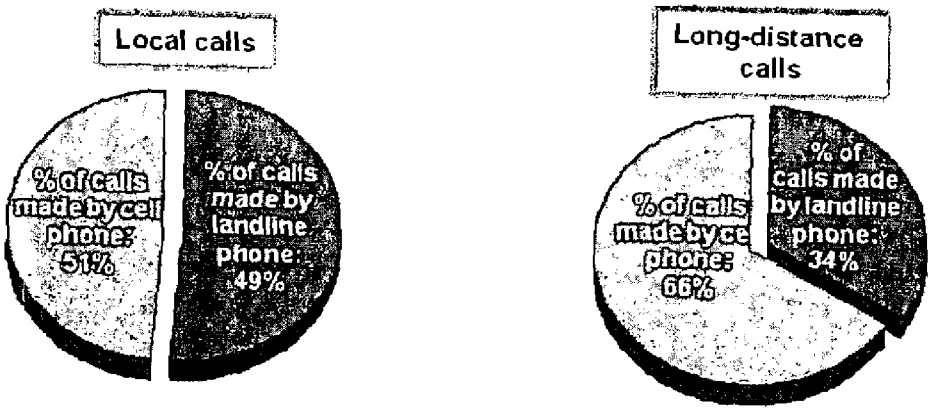
Note: Letters beside data indicate statistically significant differences between household phone type at a 95% level of confidence.

Wireless Share by Approximate Number of Households:

Cell Phone Providers	Wireless-Only Households (total of 362,500 HHs)	Mixed Households – Wireless & Wireline (total of 913,500 HHs)
T-Mobile	101,500 HHs	137,025 HHs
Verizon Wireless	97,875 HHs	264,915 HHs
Cricket Communications	47,125 HHs	18,270 HHs
Sprint	43,500 HHs	82,215 HHs
AT&T Mobility	25,375 HHs	109,620 HHs
Alltel	21,750 HHs	100,485 HHs
Qwest	--	100,485 HHs
Cox Communications	--	45,675 HHs
All other providers	25,375 HHs	54,810 HHs

Figure 8: Percentage of Local & Long-Distance Calls Made By Phone Type
Among Mixed Households
(N=498)

Among mixed wireless/wireline households, the influence of cell phones is also clear, as approximately half of local calls are made via wireless phones (51%) and two-thirds of long-distance calls (66%).



APPENDIX: DATA WEIGHTING

Before the widespread use of cellular phones, phone studies designed to represent the general population have relied upon just a single sample source or sample frame. This frame is a list of all working telephone exchanges (the first 6 digits of a telephone number or groups of 10,000 possible telephone numbers) and telephone banks (the next two digits within an exchange yielding groups of 100 possible telephone numbers). Individual telephone numbers could then be generated or selected based upon this information. With appropriate interviewing and analysis techniques (primarily the application of weights), survey results could be obtained that were applicable at the individual or the household level.

Cellular telephones are not part of this traditional frame, as the vast majority of cell phones fall into their own set of telephone banks. A separate frame of cellular telephone banks can be constructed in a similar fashion to the landline frame. Separate samples can be selected from within each frame. The samples can then be combined to produce a proper overall estimate of the entire population. In sampling terms, this is known as a dual frame approach.

The two frames are at the telephone number level. However, this study is interested in measuring items at the household level. Although each telephone number can only be within a single frame, a household can be represented in either or both of the frames -- a common characteristic in a dual frame design. In order to come up with the overall estimate, we therefore need to account for the fact households have varying probabilities for winding up in our sample (and therefore providing data for our survey). By calculating these probabilities, we can then calculate appropriate weights to provide the proper estimates.

The following steps were taken in order to compute the necessary weights:

1) Within the Phoenix metropolitan area, the initial size of each frame was known in advance. Each working telephone bank was either in the landline frame or the cellular frame.

Frame	Banks	Telephone Numbers	Percent
Landline	33,520	3,352,000	45%
Cell	41,680	4,168,000	55%
Total	75,200	7,520,000	100%

APPENDIX: DATA WEIGHTING (CONTINUED)

2) Samples were selected from each frame to be part of this study. However, not all of the selected numbers are eligible for this study. Some numbers actually reach a place of business and not a residence. Other numbers are not actually working or in service. We capture this status information as part of dialing/calling process. Within each frame we can therefore measure what proportion of the numbers dialed are working, residential numbers. We then apply these proportions to the frame sizes in step 1.

Frame	Initial size	Working Residential Rate	Adjusted Frame Size	Adjusted Frame Percent
Landline	3,352,000	41%	1,374,320	33%
Cell	4,168,000	68%	2,834,240	67%

3) The sizes listed in step 2 represent all working telephone numbers within each frame. However, the unit of interest for our study is a household. It is possible for each household to have more than once cell phone number or more than one landline. We measured the number of lines that occurred within each household within each frame. Within each frame, we use the number of lines per household to convert from the number of telephone lines, to the number of households.

Frame	Working Residential Numbers	Lines Per Household	Number of Households
Landline	1,374,320	1.27	1,082,000
Cell	2,834,240	2.30	1,230,000

Note: the households within these two frames overlap.

4) Within each frame, each household did not have an equal chance of being selected. The more lines that a household has within the frame in which they were selected, the greater the chance they had in being selected. For example, a household within the landline frame that has 2 landlines has twice the chance of being selected into the survey as a household with just a single landline. We adjust for these unequal probabilities of selection by applying a weight.

We determined the probability of selection of each household affiliated with each surveyed case. For the landline frame, this was based on the number of reported landlines. For the cell frame, this was based on the reported number of cell phones in use by adults (as only adults were eligible for the study). The weight is simply the inverse of the probability of selection.

APPENDIX: DATA WEIGHTING (CONTINUED)

For example, a household within the landline frame that reported having 2 landlines would receive a weighting adjustment of 1/2 or .5, while a household that reported just a single landline would receive a weight of 1.

5) Recall that we selected individual telephone numbers from within individual frames. Step 4 shows us the probability of selection for each household based upon the selected number within a specific frame. However, we also asked each case to report the total number of lines that existed within the other frame. So, landline cases that report there are household members with cell phones or a cell phone cases that reports the existence of landlines are therefore represented in both frames. This is the overlap mentioned in Step 3. We can divide all cases into three distinct groups: those that are only in the landline frame, those that are only in the cell phone frame and those that are in both. We applied the weights in step 4 to the household frame estimates in step three to arrive at our estimates of the sizes of each of these 3 groups:

    a. 13% of the households are landline only
    b. 26% are cell phone only
    c. 61% are mixed.

6) We were able to make an adjustment to the weights and estimates computed in Step 5. The cell phone frame was matched against an external database to obtain the name of the cell phone provider. After adjusting for the rates of working phone numbers for each carrier, we found that response rates varied by provider. We thought it possible that household phone status (i.e. cell phone only vs. not) might be related to cell phone provider. To account for this, we adjusted the weights created in Step 5 to account for the varying response rates. This changed the rates only slightly:
    a. 12% of the households are landline only
    b. 25% are cell phone only
    c. 63% are mixed.

Although the differences are small, we consider these to be the best weights and used these for our final analysis.

Business Primary Telecommunications Providers - Phoenix MSA

	5-19 Employees		20-249 Employees		250+ Employees	
	Survey Business Locations	Share	Survey Business Locations	Share	Survey Business Locations	Share
Qwest						
Other Providers						
Total						

Data from Harte-Hanks Survey of Business Customers in Phoenix MSA

PHOENIX MSA
CLEC LINES PROVIDED VIA QWEST WHOLESALE PRODUCTS

		CLEC BUSINESS LINES					CLEC RESIDENCE LINES			BUSINESS + RESIDENCE				
Wire Center	CLLI8	UNE-L [1] (Dec.'08)	EEL [1] (Dec.'08)	Platform-Based [2] (Dec.'08)	Resale (Dec.'08)	Total (Sum of Col. A thru Col. D)	Platform-Based [2] (Dec.'08)	Resale (Dec.'08)	Total (Sum of Col. F + Col. G)	UNE-L [1] (Dec.'08)	EEL [1] (Dec.'08)	Platform-Based [2] (Dec.'08)	Resale (Dec.'08)	Total (Sum of Col. I thru Col. L)
		A	B	C	D	E	F	G	H	I = A	J = B	K = C + F	L = D + G	M
SUNRISE	AGFIAZSR													
BUCKEYE	BCKYAZMA													
BEARDSLEY	BRDSAZMA													
CHANDLER MAIN	CHNDAZMA													
CHANDLER SOUTH	CHNDAZSO													
CHANDLER WEST	CHNDAZWE													
COOLIDGE	CLDGAZMA													
CIRCLE CITY	CRCYAZNM													
CASA GRANDE	CSGRAZMA													
CAVE CREEK	CVCKAZMA													
DUDLEYVILLE	DDVLAZNM													
DEER VALLEY NORTH	DRVYAZNO													
ELOY	ELOYAZ01													
FLORENCE	FLRNAZMA													
FORT MCDOWELL	FTMDAZMA													
RIO VERDE	FTMDAZNO													
COLDWATER	GDYRAZCW													
GILA BEND	GLBNAZMA													
GLENDALE	GLDLAZMA													
HIGLEY	HGLYAZMA													
HIGLEY QUEEN CREEK	HGLYAZQC													
KEARNY	KRNYAZMA													
LITCHFIELD PARK	LTPKAZMA													
MESA GILBERT	MESAAZGI													
MESA MAIN	MESAAZMA													
MAMMOTH	MMTHAZMA													
MARICOPA	MRCPAZMA													
NEW RIVER	NWRVAZMA													
ORACLE	ORCLAZMA													
PHOENIX FOOTHILLS	PHNXAZ81													
PHOENIX BETHANY WEST	PHNXAZBW													
PHOENIX CACTUS	PHNXAZCA													
PHOENIX EAST	PHNXAZEA													
PHOENIX GREENWAY	PHNXAZGR													
PHOENIX LAVEEN	PHNXAZLV													
PHOENIX MAIN	PHNXAZMA													
PHOENIX MID RIVERS	PHNXAZMR													
PHOENIX MARYVALE	PHNXAZMY													
PHOENIX NORTHEAST	PHNXAZNE													
PHOENIX NORTH	PHNXAZNO													
PHOENIX NORTHWEST	PHNXAZNW													
PHOENIX PECOS	PHNXAZPP													
PHOENIX PEORIA	PHNXAZPR													
PHOENIX SOUTHEAST	PHNXAZSE													
PHOENIX SOUTH	PHNXAZSO													
PHOENIX SUNNYSLOPE	PHNXAZSY													
PHOENIX WEST	PHNXAZWE													

PHOENIX MSA
CLEC LINES PROVIDED VIA QWEST WHOLESALE PRODUCTS

		CLEC BUSINESS LINES					CLEC RESIDENCE LINES			BUSINESS + RESIDENCE				
Wire Center	CLLI8	UNE-L [1] (Dec.'08)	EEL [1] (Dec.'08)	Platform-Based [2] (Dec.'08)	Resale (Dec.'08)	Total (Sum of Col. A thru Col. D)	Platform-Based [2] (Dec.'08)	Resale (Dec.'08)	Total (Sum of Col. F + Col. G)	UNE-L [1] (Dec.'08)	EEL [1] (Dec.'08)	Platform-Based [2] (Dec.'08)	Resale (Dec.'08)	Total (Sum of Col. I thru Col. L)
		A	B	C	D	E	F	G	H	I = A	J = B	K = C + F	L = D + G	M
PINNACLE PEAK	PRVYAZPP													
SCOTTSDALE MAIN	SCDLAZMA													
SCOTTSDALE SHEA	SCDLAZSH													
SCOTTSDALE THUNDERBIRD	SCDLAZTH													
SAN MANUEL	SNMNAZMA													
SUPERIOR	SPRRAZMA													
SUPERSTITION EAST	SPRSAZEA													
SUPERSTITION MAIN	SPRSAZMA													
SUPERSTITION WEST	SPRSAZWE													
STANFIELD	STFDAZMA													
TEMPE	TEMPAZMA													
TEMPE MCCLINTOCK	TEMPAZMC													
TOLLESON	TLSNAZMA													
WICKENBURG	WCBGAZMA													
WHITE TANKS	WHTKAZMA													
WHITLOW	WHTLAZMA													
WINTERSBURG	WNBGAZ01													
TOTALS - PHOENIX MSA														

Note 1: As of December 2008, CLECs purchased XXXXX UNE-L DS1s, XXXXX EEL DS1 and X UNE-L DS3s. Qwest does not know how many voice channel equivalents are offered by CLECs to end customers over these DS1 and DS3 UNE loop circuits. To estimate active circuits per CLEC-purchased DS1, Qwest analyzed its own use of retail DS1s in the Phoenix MSA and found that, on average, XXXX circuits, or XXX of the 24 DS0 channels were being utilized. Thus, for purposes of this analysis, Qwest conservatively assumes that each DS1 loop is equivalent to 20 utilized circuits (83% utilization). Similarly, Qwest assumes that each DS3 loop is equivalent to 550 utilized circuits (83% utilization). When Qwest sells a UNE-L, it does not know whether the loop is used to serve a business or residence customer. However, since most of the CLECs that purchase UNE loops and EEL focus on serving business customers, UNE-L loops are assumed to be business loops in this analysis.

Note 2: Platform-based lines shown in this column include the sum of QLSP and UNE-P lines.

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