

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

Review of the Federal Communications)
Commission's Triennial Review Order)
Regarding Unbundling Requirements)
for Individual Network Elements) **Case No. 2003-00379**

REBUTTAL TESTIMONY OF

JOHN C. KLICK

ON BEHALF OF

AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, LLC

MARCH 31, 2004

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS**

3 A. My name is John C. Klick. I am Senior Managing Director of FTI Consulting,
4 Inc.'s Network Industries Strategies group, with offices at 1201 I Street, N.W.,
5 Washington D.C. 20005.

6 **Q. PLEASE BRIEFLY DESCRIBE YOUR EXPERIENCE AND**
7 **QUALIFICATIONS.**

8 A. Since graduating from Bates College in 1970 with a Bachelor of Sciences degree
9 in Mathematics, I have been continuously involved in the analysis of costing,
10 economic and financial issues for network industries such as railroad and pipeline
11 transportation, electric utility transmission and telecommunications. Much of this
12 analytical work has resulted in testimony before state and federal regulatory
13 agencies, arbitration panels, and the courts.

14 In particular, since passage of the Telecommunications Act of 1996 ("1996 Act"),
15 my staff and I have been involved in the analysis of many of the Cost Proxy
16 Models that have been used by the parties to develop TELRIC-based UNE prices
17 in various state proceedings. I have testified in more than 35 states on both the
18 economic frameworks of these models and the detailed ways in which these
19 models implement their economic assumptions. I have also provided testimony
20 on the modeling of collocation costs in numerous state proceedings, and

1 testimony to the FCC on certain “business case” models that have been submitted
2 in the past by incumbent local exchange carriers (“ILECs”) in efforts to
3 demonstrate that competitive local exchange carriers (“CLECs”) can profitably
4 enter the market without access to certain unbundled network elements (“UNEs”).
5 Recently, I filed testimony in the FCC’s TELRIC proceeding on a variety of
6 issues relating to the calculation of forward-looking costs.

7 Finally, I have significant experience with the ways regulators have addressed
8 similar issues as they have arisen in the evaluation of prices in other network
9 industries. A detailed summary of my qualifications is set forth in Exhibit No.
10 JCK-1.

11 **Q. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?**

12 A. AT&T Communications of the South Central States, LLC. (“AT&T”) has asked
13 me to respond to the Direct Testimony of James W. Stegeman and Debra J. Aron,
14 which was filed on behalf of BellSouth Telecommunications, Inc. (“BellSouth”)
15 on February 11, 2004. For reasons that I explain below, the Kentucky Public
16 Service Commission (“Commission”) should conclude that the showing made by
17 BellSouth’s witnesses is not adequate to demonstrate lack of impairment in any
18 market in Kentucky.

19 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

1 A. In Section II, below, I address the BellSouth Analysis of Competitive Entry
2 (“BACE”) model, which is presented in the testimony of BellSouth witness James
3 W. Stegeman. In that section, I explain why the BACE model – in its current
4 form – cannot reliably be used by the Commission to fairly analyze the “business
5 case” economics of competitive entry by competitors seeking to serve mass
6 market customers in Kentucky. In particular, Mr. Stegeman has failed to provide
7 a version of the model that can be used to evaluate, test and modify the complex
8 calculation, “optimization,” and “filtering” portions of the BACE model.

9 In Section III, I describe several of the inputs to the BACE model run submitted
10 by BellSouth for Kentucky that I believe serve to substantially overstate the
11 potential profitability of CLEC entry using UNE-L. I also provide sensitivity runs
12 of the BACE model that quantify the effects of using more reasonable input
13 assumptions. In Section IV, I describe several areas of the model that appear to
14 have problems. Finally, Section V of this statement describes a series of
15 anomalous results that have been generated by altering certain inputs to the BACE
16 model submitted by BellSouth for Kentucky. These results call into serious
17 question the reliability of the BACE model, and are significant enough to warrant
18 rejection of BellSouth’s conclusions about impairment. As suggested by my
19 discussion in Section II, this latter analysis has been hampered by Mr. Stegeman’s
20 failure to provide a fully documented and completely open BACE model for
21 analysis in this proceeding.

1 Q. CAN YOU SUMMARIZE SOME OF THE KEY FINDINGS OF YOUR
2 ANALYSIS OF THE BACE MODEL?

3 A. Yes. Ultimately my testimony will demonstrate two things. First, replacing a few
4 of the unsupported input assumptions within the BACE model with assumptions
5 that I deem to be more reasonable (such as the level of ultimate market share that
6 the model assumes a single CLEC can achieve, the rate of penetration by the
7 CLEC into the markets and the assumptions that BACE makes about the long
8 term level of retail prices that will be experienced by the CLEC) effectively
9 eliminates the profitability of entering mass markets that is calculated by BACE
10 for an efficient CLEC. This result should not be surprising. The TRO suggests
11 that actual market evidence of entry is an important consideration in evaluating
12 impairment, and there has been relatively little of that in Kentucky in the past
13 seven years even with the availability of UNE-P. Without UNE-P, a CLEC will
14 incur significant additional entry costs associated with transport, digital loop
15 carrier equipment, collocation arrangements and “hot cut” charges (that are
16 required in order to move the loop from the ILEC switch to the CLEC switch) that
17 will serve to further reduce the economic incentives for CLEC entry into the
18 Kentucky mass market. The high levels of profitability that BellSouth’s BACE
19 model asserts could be earned by an efficient CLEC from providing service to
20 mass market customers in Kentucky is supported neither by market evidence nor
21 economic theory.

1 Second, my testimony will demonstrate that numerous anomalous results obtained
2 by using the BACE model suggest that there are programmatic errors in the visual
3 basic source code that underlies the model. For example, changing the so-called
4 subscriptions that receive the bundle discounts eliminates *any* CLEC profitability,
5 yet the BACE model documentation suggests that such a change should have no
6 effect. Because none of the BACE calculations can be modified, it is nearly
7 impossible to audit and verify the calculations.

8 In order to begin to understand the effects of altering specific input assumption, I
9 undertook several different sensitivity runs of BellSouth's BACE model for
10 Kentucky. Each of these sensitivity analyses will be discussed in detail later in
11 my testimony, but I have included this summary table in my introduction to
12 illustrate both the magnitude of the errors that I have found in BellSouth's model,
13 and the counter-intuitive results inherent in the model run that BellSouth
14 presented in its Opening. BellSouth's conclusion that mass market customers are
15 highly profitable (accounting for approximately 57 percent of the profitability that
16 the BACE model suggests would be enjoyed by an efficient CLEC seeking to
17 serve the mass market in Kentucky) is inconsistent with what we observe in
18 reality, where CLEC entry is most heavily focused on larger business (or
19 enterprise) customers.

1

Table JCK – 1

**Summary of Sensitivities to the BACE Model for BellSouth
Kentucky**

<u>Scenario</u>	<u>Mass Market NPV</u>	<u>Total NPV</u>
BellSouth Opening	\$13,205,328	\$23,240,666
Ultimate Market Share Set at 5 Percent	(\$2,155,880)	(\$8,787,332)
Straight line Penetration for Residential Customers	\$6,368,834	\$12,087,771
Reduction in Retail Prices by 15 Percent for Year 1	(\$8,497,900)	(\$8,083,664)
Annual Price Decrease of 1 Percent	\$6,460,861	\$12,288,074
Straight line Penetration, Annual Price Decrease, Market Share	(\$2,602,227)	(\$10,245,178)
10 Percent Discount Applied to All Products and Bundles	\$3,730,013	\$8,220,385
Including Subscription in Bundle Discount	\$0	(\$7,357,370)
Churn Increase of 25 Percent	\$9,296,178	\$18,251,932

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3

II. BELLSOUTH’S BACE MODEL IS NOT OPEN, IS NOT ADEQUATELY DOCUMENTED, AND CAN NOT BE RELIED UPON BY THE COMMISSION

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5

6

Q. BEFORE ADDRESSING THE DETAILS OF BELLSOUTH’S BACE MODEL, CAN YOU DESCRIBE BRIEFLY FOR THE COMMISSION WHY IT IS IMPORTANT THAT THE BUSINESS CASE MODELS USED TO ANALYZE IMPAIRMENT BE COMPLETELY OPEN FOR REVIEW?

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A. Yes. As the Commission is aware, this is not a new issue. Very similar issues

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arose with regard to the UNE cost proxy models that were proposed in the years

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immediately following passage of the 1996 Act, and similar issues arise whenever

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there is litigation involving complex economic, financial or cost models. As all of

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us understand – and as became painfully clear in the UNE proceedings in

15

Kentucky and elsewhere – while it is often possible for all parties to agree on a set

16

of economic principles that are to be applied in analyzing an issue, the results of

17

applying those economic principles in a given situation are a function of the

1 numerous assumptions and calculations that are made in (1) defining what the
2 characteristics of the “given situation” are, (2) the extent to which the agreed-
3 upon economic principles will affect each of these characteristics, (3) how those
4 characteristics and economic effects are likely to change over time, and (4) how
5 best to quantify these interrelationships. In other words, the “devil is in the
6 details.”

7 Without complete access to the details of the models that are constructed to give
8 effect to these complex interactions, there is no effective way for other parties –
9 including the Commission and its Staff – to fully understand the way in which a
10 model actually implements the agreed-upon economic principles or to determine
11 whether the way the model utilizes certain inputs is consistent with the way the
12 inputs were developed. If the Commission and its Staff are unable to fully
13 evaluate these issues, and if they are unable to rely upon the adversarial process –
14 and the critical review by other parties to the proceeding that is the foundation of
15 this process – then there is no possibility of making reasoned judgments or
16 drawing reliable conclusions. Findings of “no impairment” could have a severely
17 negative effect on the nascent state of competition for mass market customers in
18 Kentucky. Thus, it is critical that these findings not be based upon poorly
19 supported business case calculations.

20 **Q. HOW IS THE BACE MODEL ORGANIZED?**

1 A. The BACE model is organized around four “processes” that correspond generally
2 to four major components of a business case analysis, *i.e.*, the determination of
3 the prices that the CLEC can be expected to receive for the services it sells (the
4 price process, or “P-Process”), the quantities of each of these services the CLEC
5 can be expected to sell (the quantity process, or “Q-Process”), the revenues
6 produced by the interaction of prices and quantities achievable by the CLEC (the
7 revenue process, or “R-Process”), and the costs that a CLEC can expect to incur
8 to construct and operate the network necessary to provide these services (the
9 operations and network process, or “ON-Process”).¹ BACE uses an undisclosed
10 version of compiled visual basic source code to perform the calculations in these
11 four processes and to produce the results of its business case analyses.

12 Within each of these four processes, the BACE model relies upon input tables to
13 produce results that are shown in the final output table for the process. Many of
14 these input tables cannot be accessed (and, therefore, modified) by the user. In
15 addition, numerous intermediate tables that are used in subsequent calculations in
16 BACE cannot be viewed by the user – which makes effective auditing of the
17 model impossible. Furthermore, even with access to the underlying tables,
18 BellSouth has not provided the uncompiled version of the source code for the
19 BACE model, or for the preprocessor, which is required by any external party that

¹ As Dr. Aron has testified in Florida, the BACE model focuses only on “economic” impairment and gives no effect to issues of “operational” impairment. Thus, even if the BACE model – run properly – suggests that no impairment exists, entry by an efficient CLEC could still be impaired by operational impediments.

1 seeks to meaningfully review or modify any of the mathematical calculations used
2 to develop the price, quantities and costs to derive the results of the BACE
3 business case model. Without fully open and unencumbered access to review,
4 edit and test the calculations that are used in BACE, we cannot review, validate or
5 even identify any potential errors that may be deeply hidden within this model. In
6 the hearings in the Florida Impairment proceeding, Mr. Stegeman himself
7 confirmed the importance of having an open model. WITNESS STEGEMAN: “
8 ...one of BellSouth's key criteria was that I needed to develop a model that was
9 open and reviewable.”²

10 The FCC and various state regulatory commissions have stressed the importance
11 of relying on fully open models that enable parties to reasonably understand how
12 the results are derived, and provide access to all underlying data, formulae,
13 computations, software, engineering assumptions, and outputs. By failing to
14 provide the level of access, all parties are effectively deprived of a reasonable
15 ability to review the calculations and underlying modeling assumptions. Thus,
16 BellSouth’s failure to provide the uncompiled source code and other input data is
17 a fundamental failing.

18 **Q. DOES THE BACE MODEL PROVIDE ACCESS TO ALL DATA FILES**
19 **THAT IT RELIES UPON AND DEVELOPS?**

² Stegeman, FL Hearing ‘Transcripts’, F-0851-V9, pp 1533.

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2 A. No. There are a significant number of intermediate and output files that are not
3 available for the user to review. For example, the model builds intermediate
4 tables for each of the main steps of the price, quantity and revenue processes that
5 are stored in a locked database. The model also builds final files for each of the
6 processes (PMaster, QMaster, CMaster and RMaster) that are contained in the
7 locked database. Review of these intermediate and final tables is particularly
8 critical given that BellSouth has failed to provide the underlying source code to
9 the BACE model in a format that would permit the code to be modified and re-
10 compiled. There are references to variables and calculation routines that are not
11 defined in the material presented, and without access to the source code in a
12 format that would permit it to be modified and re-compiled it is impossible for a
13 programmer to follow the field names that are used in the calculations shown in
14 the Adobe Acrobat file, which makes this file effectively useless for the purposes
15 of understanding what is being done in key sections of BACE. In fact, Mr.
16 Stegeman's testimony in the Florida hearing revealed the magnitude of the work
17 required to verify the pdf form of the source code.

18 Q. And if I understand it correctly as well, with regard to -- I want to go back
19 to this .pdf hard copy source code. In order to verify results looking at the
20 source code, a reviewer would have to rehash all of the calculations in order to
21 verify the results; is that correct?

22

23 A. Yes, that's correct, because that's what I did.

24

25 Q. And how many calculations are there in the run of the BACE model?

1 A. I can't attest to the exact number. I think in our deposition, I mentioned
2 that it was hundreds of thousands, if not millions.³

3 **Q. CAN YOU SUMMARIZE YOUR CONCERNS REGARDING THE**
4 **ABILITY OF CLECS AND THE COMMISSION TO REVIEW BACE?**

5 A. Yes. The Commission's decision must be based upon the details of the ways in
6 which competing calculations of CLEC impairment are performed. This means
7 that the Commission and its Staff (and the other parties who are responsible for
8 analyzing competing models) need to have full access to these details.

9 The way in which the BACE model has been made available in this proceeding
10 makes this sort of review of BACE impossible. BACE defines demand in terms
11 of individual wire centers; it defines markets in terms of Component Economic
12 Areas ("CEAs") – which do not necessarily coincide with the wire center
13 boundaries; and it builds the network based on one switch per LATA – although
14 LATA boundaries do not necessarily coincide with CEA boundaries. It segments
15 residential and business customer classes into "spend" categories (five for
16 residential, three for business) on a wire center-by-wire center basis (using a
17 mechanism that, statewide, forces an equal number of customers of each class into
18 each spend category). A process that clearly puts similarly situated customers
19 from different wire centers into different spend categories that are treated
20 differently by BACE, in terms of price trends and penetration. Since these

³ Stegeman, FL Hearing 'Transcripts', F-0851-V11, pp 1752-1753.

1 customers are similarly situated there is no reason to assume that these customers
2 would have different spending patterns. In its various optimization routines,
3 BACE makes choices between alternative entry strategies (EEL versus
4 collocation, for example) and allows the user to eliminate “unprofitable” services
5 or markets – even though the network is constructed in such a way (based on
6 output from the Q-Process and R-Process that is not available for external review)
7 that all of these services use the same set of facilities.

8 Understanding and subjecting to critical scrutiny the way these myriad approaches
9 and assumptions, and a host of others I have not mentioned here, interact with
10 each other is the essence of the task that the Commission, its Staff and the parties
11 other than BellSouth must perform in this proceeding. By consciously designing
12 the BACE model to keep key portions of its functionality from being reviewed,
13 BellSouth has – at a minimum – made this task extremely difficult, if not
14 impossible (particularly given the fast track procedural schedule set forth by the
15 FCC and the state regulatory commissions). In addition, without the material I
16 have outlined above, the Commission and its Staff are prevented from comparing
17 certain inputs and calculations with those made by other parties, making it
18 impossible to effectively evaluate alternative evidence.

19 The failure to make available the intermediate and output tables created in BACE
20 – and used in subsequent stages of the BACE calculations – is particularly
21 inexcusable given AT&T’s understanding (based on information received in

1 Florida) that BACE employs a central database file that contains many of the
2 intermediate and final results tables.⁴

3 In short, by failing to produce a model that can be subjected to critical review by
4 AT&T, the Commission or its Staff, BellSouth has failed to meet its burden of
5 demonstrating that CLECs are not impaired in any market in Kentucky.⁵

6 **Q. DID BELLSOUTH PROVIDE A USEABLE FORM OF THE SOURCE**
7 **CODE TO THE BACE MODEL?**

8 A. No, as discussed above, BellSouth provided a 100-page Exhibit (in pdf format) of
9 the source code that purports to allow the user to review all of the programmatic
10 code and calculations underlying the BACE model. It is impossible to fully
11 understand, audit and test the validity of the thousands of calculations that take
12 place within this complex code without having a version of the code that is
13 compilable and that permits the user to run portions of the code and review the
14 results. Thus, the user (and this Commission) is deprived of complete access to
15 the model and cannot meaningfully validate all calculations.

16

⁴ See Public Version of Rebuttal Testimony of Kent W. Dickerson before the Florida Public Service Commission, Docket No. 030851-TP, at page 7-8.

⁵ It is my understanding that Sprint requested an uncompiled version of the BACE source code in electronic format in the Florida proceeding. If the code is produced as Sprint requested, we intend to use it in this proceeding, as permitted.

1 Q. **DID THE EXHIBIT PROVIDED BY BELLSOUTH INCLUDE A**
2 **COMPLETE VERSION OF THE SOURCE CODE FOR THE BACE**
3 **MODEL?**

4 A. No, as discussed above, BellSouth provided a pdf version of the source code that
5 it asserts constitutes the BACE model is not a complete copy of the source code.
6 The source code that was provided by Mr. Stegeman contains numerous
7 references to subroutines and other programmatic processes, such as class
8 modules, that have not been provided as part of the Exhibit. By failing to provide
9 these various subroutines and class modules -- which contain source code that
10 completes other programmatic processes -- the user has no ability to see, and
11 therefore, to fully understand or reproduce the calculations inherent in the BACE
12 model. The following is a list of some of the functions, subroutines and class
13 modules that are referenced or called by the primary BACE source code that have
14 not been provided by BellSouth: (1) ResolveStar, (2) RoundUp, (3) ExecuteSQL,
15 (4) LogIt, (5) CompactDB, (6) CleanUp, (7) IsBetween, (8) clsFACE, (9)
16 clsZones and (10) clsStarFields.

17 Similarly, the BACE model code provided by BellSouth does not provide the
18 complete set of information required for a user to define and understand all of the
19 programmatic steps. In certain instances, BACE includes variables (such as
20 moConnection) and enumerations (such as ssStepStatus) that have not been
21 clearly defined. By failing to provide a completely working version of the source
22 code that was compiled into the BACE model, these cryptic and undefined codes

1 force the user to guess, and therefore to test all permutations one can think of, in
2 an effort to figure out what the model assumes. Thus, the BACE model fails to
3 meet the basic burden of providing a fully open and verifiable model.

4 **Q. DID BELLSOUTH PROVIDE A COMPLETE VERSION OF THE**
5 **PROGRAMATIC CODE USED TO DEVELOP THE INPUTS INTO THE**
6 **BASE MODEL?**

7 A. No, Dr. Aron confirmed in a recent deposition in the Florida Impairment
8 proceeding that she preprocessed BellSouth and other data to develop the key
9 input tables associated with market prices and demand.

10 21 Q. Now, my understanding, from Mr.
11 22 Stegeman, is that certain preprocessing resulted
12 23 in the tables, baseline product price, baseline
13 24 demand, and exchange demographics. Is that
14 25 accurate?

15 0109

16 1 A. Yes.⁶

17 Without complete access to this preprocessing, and the data used by that
18 preprocessing, one cannot audit the development of price and demand data used
19 by BellSouth as the basic input to the model. This is potentially very problematic
20 because reliance on outdated pricing data, for example, could substantially
21 overstate the prices and therefore the revenues and profitability of the CLEC for
22 the every year in the study period. For example, in the Florida proceeding, Dr.
23 Aron stated that she thought (but was not certain) that the data reflected in the
24 Baseline Product Price table was from data received from BellSouth for the month

⁶ Dr. Aron Deposition, Docket No. 030851-TP, February 18, 2004, page 108-109.

1 of April, 2003, *i.e.*, it is data that is nearly a year old.⁷ If accurate, these data are
2 flawed, because BellSouth reduced retail prices in late 2003. This means that the
3 BACE model inputs do not even reflect current retail prices in Kentucky, and thus
4 overstate the profitability of CLEC entry into the Kentucky market. Without
5 complete access to the price data and supporting workpapers, there is no way for
6 the Commission and its staff, or for other parties, to test the reasonableness of
7 these input data.

8 **Q. DOES THE BACE MODEL COMPLY WITH THE FCC'S**
9 **REQUIREMENT FOR AN OPEN AND TRANSPARENT MODEL?**

10 A. No. In the FCC's Universal Service Fund proceeding, the FCC developed a set of
11 criteria for economic cost studies.⁸ Those criteria included the following
12 requirements or principles with which a cost model needed to comply to be
13 accepted for the purposes of developing Universal Service. As the eighth and
14 ninth criteria clearly articulate, all aspects of the model must be verifiable:

15
16 (8) The cost study or model and all underlying data, formulae, computations, and
17 software associated with the model must be available to all interested parties for
18 review and comment. All underlying data should be verifiable, engineering
19 assumptions reasonable, and outputs plausible.

20
21 (9) The cost study or model must include the capability to examine and modify
22 the critical assumptions and engineering principles. These assumptions and

⁷ Dr. Aron Deposition, Docket No. 030851-TP, February 18, 2004, page 110-114.

⁸ FCC Public Notice: Criteria for State-Conducted Economic Cost Studies, CC Docket 96-45, DA Number: 97-1501, July 29, 1997.

1 principles include, but are not limited to, the cost of capital, depreciation rates, fill
2 factors, input costs, overhead adjustments, retail costs, structure sharing
3 percentages, fiber-copper cross-over points, and terrain factors.
4

5 In addition, in the Tenth Report and Order, the FCC reaffirmed these
6 requirements by stating the “model and all underlying data, formulae,
7 computations, and software associated with the model must be available to all
8 interested parties for review and comment.”⁹

9 The BACE model – as BellSouth has produced it in this proceeding – clearly fails
10 to meet the FCC’s cost model criteria, because (1) it does not readily provide
11 access to all input, intermediate and output files without BellSouth passwords; (2)
12 it fails to provide all calculations (missing/unusable and untestable source code);
13 and (3) it prevents the user from modifying all critical assumptions.

14 **Q. DOES THE BACE MODEL HAVE ANY CALCULATIONS THAT CAN**
15 **BE REVIEWED (AND CHANGED) IN THEIR ELECTRONIC FORM?**

16 A. No, the model does not have any calculations in an editable software program
17 such as an Excel spreadsheet or an Access program (or query) that the user can
18 review and edit. The value of having calculations in a software application such
19 as Excel is that the user can readily review each calculation, trace all preceding
20 calculations and determine all dependent calculations. This provides a clear paper

⁹ Tenth Report and Order, FCC, CC Docket 96-45, paragraph 38.

1 trail of the way that assumptions and calculations flow from their initial use
2 through the model to the model results.

3 **Q. HAS MR. STEGEMAN RELIED ON EXCEL FOR CERTAIN**
4 **CALCULATIONS IN OTHER COST MODELS THAT HE HAS**
5 **DEVELOPED?**

6 A. Yes. In past UNE proceedings Mr. Stegeman has touted the value of developing
7 portions of cost models in Excel to allow for user validation. For example, in a
8 public version of Mr. Stegeman's testimony filed in GA docket 14361-U, he
9 stated that one of the objectives in building the BellSouth Telecommunications
10 Loop Model ("BSTLM") was to "[u]se Microsoft Excel as much as possible to
11 allow easier review by outside parties."¹⁰ Consistent with this statement, many
12 of the significant model calculations underlying the BSTLM cost model that Mr.
13 Stegeman developed for the UNE cost proceedings were completed in Excel to
14 ensure that they could be easily reviewed and audited.

15 In contrast to the approach he used in developing BSTLM, Mr. Stegeman has
16 chosen here to develop the BACE model entirely "in the dark," so that external
17 users cannot readily or conclusively verify the input data or the calculations. This
18 disparity in the level of openness between the BACE model and the BSTLM cost
19 model is particularly surprising because, in his deposition in the Florida

¹⁰ Stegeman Direct Testimony, GA docket 1431-U, October 1, 2001, pg. 9

1 Impairment proceeding, Mr. Stegeman seeks to suggest that these two models are
2 similarly open and verifiable. Mr. Stegeman stated “the BellSouth loop model
3 which was filed in the UNE proceeding was filed in a fairly similar manner to
4 how this model was filed as well.”¹¹ Although it seems likely that many of the
5 BACE calculations could have been completed in a more open and verifiable
6 software application such as Excel, Mr. Stegeman chose to effectively hide the
7 calculation logic from all parties in this proceeding by employing visual basic
8 code extensively. Because of this, the code may contain potentially hidden
9 programmatic problems.

10 **III. SEVERAL OF THE INPUTS EMPLOYED BY BELL SOUTH SERVE TO**
11 **SIGNIFICANTLY OVERSTATE THE POTENTIAL PROFITABILITY OF**
12 **CLEC ENTRY INTO RELEVANT MARKETS IN KENTUCKY**

13 **Q. DESPITE THE IMPEDIMENTS DESCRIBED ABOVE IN SECTION II,**
14 **HAVE YOU BEEN ABLE TO EVALUATE PORTIONS OF THE BACE**
15 **MODEL?**

16 A. Yes, I have been able to undertake an evaluation of certain aspects of the BACE
17 model. Our work in this area continues as of the date this testimony is filed.

18 **Q. WHAT AREAS OF THE BACE CALCULATIONS HAVE YOU BEEN**
19 **ABLE TO ANALYZE?**

20 A. My evaluation of BACE has focused in two areas. In this section of my
21 testimony, I set forth my criticisms of the inputs used in the model – most of

¹¹ Stegeman Deposition, Florida Impairment Proceeding, February 16, 2004, pg. 103 lines 4-6.

1 which have been provided by Dr. Aron – in four specific areas. In Section IV and
2 V, below, I discuss a series of structural / input issues and counterintuitive results
3 generated by modifying other inputs to the BACE model. The lack of full access
4 to the BACE model code and underlying tables has impeded the completion of
5 these analyses. Our review is ongoing, and completion of these analyses is
6 contingent upon fully accessing the model and code.

7 **Q. CAN YOU BRIEFLY DESCRIBE THE CONCERN YOU HAVE WITH**
8 **VARIOUS MODEL INPUTS?**

9 A. Yes. I have overarching concerns with four sets of inputs, *i.e.*, (1) the way in
10 which BellSouth has defined markets, (2) the ultimate CLEC market share that is
11 assumed by BellSouth in the BACE run submitted in this proceeding, (3) the
12 rapidity with which the BACE model assumes that this ultimate penetration will
13 be achieved, and (4) the base year retail product pricing assumptions and trends in
14 retail prices assumed by BellSouth in this proceeding.¹²

15 **A. Market Definition**

16
17 **Q. WHAT ARE YOUR CONCERNS WITH THE WAY IN WHICH**
18 **BELLSOUTH HAS DEFINED THE RELEVANT MARKET FOR ITS**
19 **IMPAIRMENT STUDIES?**

20 A. BellSouth defines the “relevant geographic area,” for the purposes of its
21 impairment analyses, as a CEA (Component Economic Area) subdivided by UNE

¹² I also believe other input assumptions are flawed but have not had sufficient time and access to the model to fully develop the analysis.

1 zones. BellSouth witness Pleatsikas argues that UNE zones “take into account the
2 ‘variations in factors affecting competitors’ ability to target and serve specific
3 markets profitably,’ because loop rates are determined by UNE zone; with higher
4 UNE loop rates in areas that are more costly to serve.”¹³ Dr. Pleatsikas argues
5 that UNE zones should be further subdivided by CEA, although he offers no
6 rationale for choosing CEAs other than (1) it results in markets that are more
7 granular than relying on UNE zones, alone, and (2) CEAs cover an entire state.
8 These rationales fall short of the requirements of the TRO and in my opinion lead
9 to market definitions that are unsupported.

10
11 The TRO provides the following guidance to state commissions:

12 State commissions have discretion to determine the contours of
13 each market, but they may not define the market as encompassing
14 the entire state. Rather, state commissions must define each
15 market on a granular level, and in doing so they must take into
16 consideration the locations of customers actually being served (if
17 any) by competitors, the variation in factors affecting competitors’
18 ability to serve each group of customers, and competitors’ ability
19 to target and serve specific markets economically and efficiently
20 using currently available technologies. While a more granular
21 analysis is generally preferable, states should not define the market
22 so narrowly that a competitor serving that market alone would not
23 be able to take advantage of available scale and scope economies
24 from serving a wider market. State commission should consider
25 how competitors’ ability to use self-provisioned switches or
26 switches provided by a third-party wholesaler to serve various
27 groups of customers varies geographically and should attempt to
28 distinguish among markets where different findings of impairment
29 are likely.
30

¹³ Pleatsikas Direct Testimony, page 6 lines 6-9.

1 While use of UNE loop rate zones obviously gives some effect to variations in
2 factors affecting a CLEC's ability to serve a group of customers and its ability to
3 target, use of UNE rate zones gives no effect to the TRO's requirement that the
4 market definition take into account "how competitors' ability to use self-
5 provisioned switches or switches provided by a third-party wholesaler to serve
6 various groups of customers varies geographically." Subdividing UNE rate zones
7 by CEAs does nothing to address this requirement either.

8 BellSouth's impairment model assumes that a CLEC will install a switch in each
9 LATA. As a result, the individual LATA is the geographic market definition that,
10 consistent with BellSouth's impairment assumptions, would most accurately
11 reflect the cost of self-provisioning switches for various groups of customers.
12 Furthermore, because the customers that can contribute to the economies of scope
13 and scale experienced by the CLEC for any given switch in a LATA are a
14 function of the customers in that LATA, use of LATAs as the basic geographic
15 market would also ensure that "states [do] not define the market so narrowly that
16 a competitor serving that market alone would not be able to take advantage of
17 available scale and scope economies from serving a wider market."¹⁴

18 Thus, the LATA is clearly a relevant component of a geographic market for
19 assessing impairment, and use of CEAs results in a market definition that is not
20 relevant and potentially too broad.

1 Market definition also potentially should take into account the way in which
2 services are offered to customers in Kentucky, and the costs of providing those
3 services. To the extent different prices or bundles are offered to subsets of
4 residential, small business and enterprise business customers throughout the state,
5 it would also be reasonable to consider separately analyzing these customer
6 groups.

7 **B. CLEC Market Share Assumptions Used in BACE are Unrealistic**

8

¹⁴ TRO at ¶ 495.

1 **Q. WHAT IS YOUR REACTION TO DR. ARON'S ASSUMPTIONS ABOUT**
2 **THE MARKET SHARE THAT AN EFFICIENT CLEC WILL**
3 **ULTIMATELY ACQUIRE USING UNE-L ENTRY?**

4 A. BellSouth assumes that an efficient CLEC will ultimately achieve an overall 15
5 percent market share for all services and products offered across in all markets it
6 assumes would be served in Kentucky, and that it will achieve the majority of this
7 penetration in the first few years after entry occurs.¹⁵ Furthermore, although
8 BellSouth assumes an overall market share of 15 percent for each of the
9 residential, small business, and enterprise markets, it assumes different ultimate
10 market shares for different "spend categories" within these classes of customers –
11 with, for example, market shares in excess of 15 percent for the three highest
12 monthly revenue-per-line residential spend categories, and market shares well
13 below 15 percent in the two lowest monthly revenue-per-line spend residential
14 spend categories.¹⁶

15 Compounding this overly optimistic assumption, BellSouth assumes that an
16 efficient CLEC will acquire its market share most quickly in the early years of
17 entry. For residential customers, for example, BellSouth assumes a penetration
18 factor of 0.5, which in BACE manifests itself as an assumption that the CLEC
19 will attain 50% of the remaining portion of the ultimate market share each year.¹⁷

¹⁵ Aron Direct Testimony, page 24.

¹⁶ For example, Bellsouth assumes a CLEC will capture more than twice the average share of the highest SOHO spending customers. See BACE Model at table tblPenCurvesForProducts.

¹⁷ Aron Direct Testimony, page 26.

1 Thus, BellSouth effectively assumes that the overall CLEC market share of
2 residential customers will begin at zero, will increase to 7.5% by the end of year
3 one [7.5% = 15% * 50%], and that the CLEC will acquire 50% of the untapped
4 market share, or 3.75% = [(15%-7.5%) * 50%], by the end of year two (for a total
5 market share of 11.25%). By the end of year 3, using this process, the CLEC is
6 assumed to have acquired a residential market share of 13.13 percent. This
7 customer penetration pattern is displayed in Table JCK-2.

8 **Table JCK - 2**

BellSouth Residential Customer Market Share Assumption Used in BACE

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Ultimate Share
Market Share	0%	7.5%	11.25%	13.13%	14.06%	14.53%	15%
Percentage Change		N/A	50%	17%	7%	3%	3%

1

2 The assumption that an efficient CLEC would achieve an ultimate market share of
3 15 percent is overly optimistic when compared to actual data on the total lines
4 served by non-ILECs in Kentucky. First, overall market share for *all* CLECs in
5 Kentucky was approximately 5 percent of switched access lines as of June 30,
6 2003.¹⁸ However, this says nothing about a reasonable market share assumption
7 for an *individual* CLEC, which is the relevant inquiry.

8 Additionally, it should be noted that while overall CLEC market share in
9 Kentucky is approximately 5 percent, the segment of the CLEC market share that
10 the impairment and business case analyses is most concerned about is the mass
11 market (or residential and small business segment), and it is clear that CLECs
12 operating in Kentucky have been less successful in acquiring market share in
13 these markets. Only 57 percent of CLEC switched access lines in Kentucky serve
14 residential and small business customers, while these customers comprise 81
15 percent of ILEC switched access lines in Kentucky.¹⁹ This means that overall
16 CLEC market share of the mass market is on the order of only 3.3 percent as of
17 June 30, 2003. This highlights the unrealistic nature of BellSouth's assumption
18 that an individual CLEC could acquire a market share of 15 percent.

¹⁸ FCC Report Local Telephone Competition, Status as of June 30, 2003, Table 7.

¹⁹ FCC Report Local Telephone Competition, Status as of June 30, 2003, Table 11.

1

Table JCK – 3

2

MARKET SHARE OF LINES PROVIDED TO RESIDENTIAL AND SMALL

3

BUSINESS CUSTOMERS IN KENTUCKY

Year	CLEC Total Market Share ¹	CLEC Percent Resid and Small Bus		CLEC Percent of Resid/Small Bus Mrk
2001	n/a	n/a	²	n/a
2002	4%	n/a	³	n/a
2003	5%	57%	⁴	3.3%

¹ FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 7

² FCC Report Local Telephone Competition, Status as of December 31, 2001. Table 9

³ FCC Report Local Telephone Competition, Status as of June 30, 2002. Table 9

⁴ FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 11

1

2 Furthermore, these overall statewide market shares are comprised of much
3 smaller market shares that have been acquired by the numerous *individual* CLECs
4 that operate in Kentucky. As the following table demonstrates, the total number
5 of CLECs operating in Kentucky has increased from one in the first quarter of
6 1997 to seven competitors two years later.²⁰ As of June 30, 2003, seven CLECs
7 were operating in Kentucky.²¹ Thus, on average each CLEC operating in
8 Kentucky has acquired less than one half of one percent of the switched access
9 lines within the residential and small business customer segments in the state.
10 This is further evidence of the untenable nature of the 15 percent overall market
11 share that BACE assumes would be acquired by an individual CLEC.

²⁰ See FCC Local Competition Report, August 31, 1999, Table 4.1.

²¹ See FCC Report Local Telephone Competition, Status as of June 30, 2003, Table 12.

1

Table JCK – 4

2
3

**CLEC Market Share (Switched Access Lines) and Number of CLECs
IN KENTUCKY²²**

<u>Year</u>	<u>Market Share</u>		<u>Number of CLECs</u>		<u>Avg % Market Share per CLEC</u>
1996			0	3	
1997	2%	1	1	3	1.5%
1998	2%	1	5	3	0.4%
1999	2%	2	7	3	0.3%
2000	3%	2	3	4	0.8%
2001		2	3	5	
2002	4%	2	3	6	1.4%
2003	5%	2	7	7	0.7%

- 1 FCC Report Local Telephone Competition, Status as of August, 1999. Table 3-1 and 3-2
Note: 1997 and 1998 data includes UNE and Resale lines.
- 2 FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 7
- 3 FCC Report Local Telephone Competition, Status as of August, 1999. Table 4-1
- 4 FCC Report Local Telephone Competition, Status as of June 30, 2000. Table 6
- 5 FCC Report Local Telephone Competition, Status as of December 31, 2001. Table 10
- 6 FCC Report Local Telephone Competition, Status as of June 30, 2002. Table 10
- 7 FCC Report Local Telephone Competition, Status as of June 30, 2003. Table 12

4

5

This data on CLEC market shares in Kentucky, combined with the fact that the

6

CLEC market share for the mass market (*i.e.*, residential and small business

7

customers) is approximately half of the CLEC's overall market share, suggest that

8

an ultimate penetration rate for an individual efficient CLEC of 4 to 5 percent,

9

over the next 10 years, is a more reasonable assumption for a business case

10

analysis of the mass market.

²² As discussed above, the CLEC market share of the mass market (*i.e.* residential and small business customers) is much smaller and approximately half of the CLEC's total market share.

1 To illustrate the effect that substituting a more reasonable estimate of CLEC
2 market share would have on the BACE results, I have re-run the BACE model
3 submitted by BellSouth with a single change, *i.e.*, substituting a 5 percent ultimate
4 market share for the 15 percent advocated by Dr. Aron. Exhibit JCK-2
5 demonstrates that this change, alone, reduces the overall NPV from \$23.2 million
6 to a negative \$8.8 million.

7 As noted earlier, the effect of the overly optimistic market share assumption
8 employed by BellSouth is exacerbated by the rapidity with which BellSouth
9 assumes that the efficient CLEC will acquire this market share. While Dr. Aron
10 cites historical statistics about the rapidity with which CLECs have acquired their
11 market shares in certain circumstances, those rapid gains were largely attributable
12 to the existence of UNE-P. In an environment in which CLECs would have to
13 build new switches where they have none today, establish collocation in
14 BellSouth wire centers where none exists today (and/or expand the facilities in
15 existing collocation areas to provide for the DLC and multiplexing equipment
16 necessary to permit the CLEC to backhaul local traffic to its switches), arrange for
17 long-haul transport to effectuate the backhaul, and implement the hot cut process
18 that would be required to move a customer from the ILEC to the CLEC, it is
19 unlikely that CLECs would acquire market share as rapidly using UNE-L as they

1 have using UNE-P.²³ Even *with* the availability of UNE-P, it is clear from the
2 CLEC market share data that the local telephone competition has been very slow
3 to develop. This assumption of rapid acquisition of market share in the BACE
4 model has a significant effect on its conclusions about impairment. Modifying
5 the BACE model submitted by BellSouth for this proceeding *only* to reflect a
6 straight-line acquisition of market share, instead of the front-loaded penetration
7 rate assumed by BellSouth, reduces overall NPV from \$23.2 million to \$12.1
8 million. The results are summarized in Exhibit JCK-3.

9 Assumptions about the ultimate market share achievable by an efficient CLEC,
10 and the rapidity with which it would acquire that market share, are critical to the
11 business case analysis. They affect the overall customer demand that a CLEC
12 will serve in each wire center, the revenues for the services and products that each
13 of these customers will obtain from the CLEC, and the speed with which the
14 CLEC will begin to receive those revenues. Because certain components of the
15 network that BACE assumes will be constructed by the CLEC must be in place
16 upfront – before the first customer can be served – the cost of putting those
17 components in place has the same present value, regardless of the pattern of
18 CLEC demand. By overstating the ultimate number of customers the CLEC is
19 likely to serve, and by “front-loading” the penetration rates for the individual

²³ The TRO explicitly acknowledged the potential delay that would likely be associated with UNE-L based entry into the local exchange market. For example, in opining on the appropriate assumptions for a CLEC cost of capital, the FCC noted that state commissions should “include the capital carrying costs for the period it takes a competitor to set up operations and achieve profitability.” TRO. n.1596.

1 products and services these customers might obtain from the CLEC, however,
2 BACE overstates the present value of the revenues that the CLEC can expect to
3 receive over the 10-year study period. In addition, because the provision of local
4 telecommunications services exhibits significant economies of scope and scale,
5 overstating the number of customers that would be served by a CLEC understates
6 the cost per line that the CLEC would incur to serve its customers.

7 **C. BellSouth's Retail Price Assumptions are Not Realistic**
8

9 **Q. CAN YOU PLEASE ADDRESS BELLSOUTH'S BASE PRICING**
10 **ASSUMPTIONS?**

11 A. Yes. As I discussed above, we do not have access to all of the preprocessing data
12 and programs used by Dr. Aron to develop the base year pricing assumptions for
13 the CLEC business case. This is potentially problematic for a number of reasons.
14 First, as discussed above, Dr. Aron indicated in other proceedings that the price
15 table was based on data received from BellSouth for the month of April 2003,²⁴
16 which would not incorporate the retail price reductions made by BellSouth in late
17 2003. In other words, the BACE model inputs do not appear to reflect current
18 retail prices, and overstate the profitability of CLEC entry into the Kentucky
19 market.

²⁴ Aron Deposition, Florida Impairment proceeding, pages 110-114.

1 Q. DO YOU HAVE ANY OTHER EVIDENCE THAT SUGGESTS THAT THE
2 BASE YEAR PRICING ASSUMPTIONS IN THE BACE MODEL ARE
3 TOO HIGH?

4 A. Yes. For example, BellSouth assumes that residential customers of CLECs in
5 Kentucky will spend approximately \$37.83 per month per line for local service
6 and that small business customers (“SOHO”) will spend approximately \$73.57
7 per line/per month just for local phone service (i.e. excluding long distance, DSL
8 and voicemail).²⁵ Because we cannot audit BellSouth’s calculation, we have
9 looked to other data sources in an effort to confirm the reasonableness of these
10 assumptions. However, the National Regulatory Research Institute (“NRRI”)
11 reports that the average residential monthly rate for BellSouth customers in
12 Kentucky was \$28.79 as of January 2004.²⁶ NRRI also reported that the average
13 business rate per month for business customers in Kentucky was \$45.54 per
14 month.²⁷ Similarly, according to the FCC, the average monthly local residential
15 charge for service was \$23.38 in 2002.²⁸ According to AT&T’s website, it offers
16 lower priced local services for Kentucky customers, such as unlimited local + 3
17 features for \$29.95/mo and unlimited local + 2 features for \$26.95/mo. All of

²⁵ This figure does not include ancillary revenue associated with vertical features.

²⁶ <http://www.nrri.org/documents/BillyJackGreggUNEmatrix1-04.xls>

²⁷ <http://www.nrri.org/documents/BillyJackGreggUNEmatrix1-04.xls>. This figure is likely to be overstated for the impairment analysis being conducted herein because the NRRI rate is for all business customers instead of just the small business customers.

²⁸ Federal Communications Commission Releases Study on Telephone Trends, Federal Communications Commission, August 7, 2003, Page I-2.

1 these actual data points available in the market suggest that BellSouth's base year
2 pricing assumptions are somehow overstated.

Table JCK – 5
Comparison of Local Service Retail Price Assumptions

	Average Residential Rate (Per Mo)	Average Business Rate (Per Mo)
BACE Model (1)	\$37.83	\$73.57
Average Kentucky Customer (2)	<u>\$28.79</u>	<u>\$45.54</u>
Percent Difference	31.4%	61.6%

1) Year 1 Average revenue per line as reported from the tblCMaster file residential and SOHO customers

2) <http://www.nrri.org/documents/BillyJackGreggUNEmatrix1-04.xls>

3

4 In addition, the long distance average revenue per line assumptions in the BACE
5 model appear to be overstated, particularly for mass market customers. BellSouth
6 assumes that the average long-distance revenue per line that a CLEC will receive
7 from residential and small business customers ("SOHO") will equal \$18.49 and
8 \$47.36 per line, respectively in the first year. JP Morgan estimated that
9 residential consumers will generate an average of \$12.16 per line in long distance
10 average revenue per line/mo in 2004.²⁹ Because all (140%) of the CLEC

²⁹ U.S. Telecommunications: The Art of War, JP Morgan, North American Equity Research, November 7, 2003, Page 14. "Our long-distance pricing includes all ancillary services including international calling, collect calls, calling cards and directory assistance. As such, the pricing may appear higher than those rates consumers are able to receive in typical long-distance pricing plans."

1 profitability estimated by the BACE, for Kentucky, on a Net Present Value basis
2 is derived from long distance services, these input assumptions – which appear to
3 be significantly inflated – have an important affect on the results of the business
4 case analysis reflected in BACE.

5 **Q. HAVE YOU CONDUCTED A SENSITIVITY ON THE BASE YEAR**
6 **PRICING ASSUMPTIONS IN THE BACE MODEL?**

7 A. Yes. By only reducing the retail prices for all products by 15 Percent in Year 1
8 and holding the prices constant from that point forward, the total NPV is reduced
9 from \$24.2 million to a negative \$8.1 million, as shown in Exhibit JCK-4

10 **Q. CAN YOU DESCRIBE THE CONCERN YOU HAVE WITH**
11 **BELLSOUTH'S PRICE TREND ASSUMPTIONS?**

12 A. Yes. I find BellSouth's assumption that retail prices will not decline over the 10-
13 year study period untenable. In several places in the TRO, the FCC expresses its
14 view that "...telecommunications prices are not static, and will change over time
15 in response to increased competition."³⁰ There are three related reasons why one
16 would expect future declines in prices over time if CLEC competition were to
17 take hold.

³⁰ For example, TRO ¶ 157.

1 First, much of BellSouth's network – particularly the network required to serve
2 mass market customers in each individual wire center – already exists. As a
3 result, these costs are sunk and, presumably, have already been recovered to some
4 (perhaps considerable) extent by retail rates that have been in existence for years.
5 In the short term, therefore, the incremental costs BellSouth will incur to provide
6 mass market service – or the incremental costs it will save if it loses a mass
7 market customer – are extremely low. In contrast, the costs that an efficient
8 CLEC will incur to provide service to a significant number of mass market
9 customers in individual wire centers using UNE-L are not sunk.³¹ This gives
10 incumbents, such as BellSouth, the ability to lower prices to the level of the
11 incremental costs that they will incur in the short to medium term in order to
12 make CLEC entry into these markets uneconomic. This is particularly likely
13 because the existing capacity on the ILEC networks is generally sufficient to
14 provide service to *all* mass market demand.³² As the FCC found in the TRO,
15 “[s]unk costs, particularly when combined with scale economies, can pose a
16 formidable barrier to entry. ... Potential new entrants may ... fear that an

³¹ For example, the cost of an existing customer loop is a sunk cost to the ILEC, but the monthly payment that the CLEC would make to use this loop under UNE-L is a direct cost of serving the customer.

³² Reply Declaration of John Klick, December 16, 2003, FCC WC Docket No. 03-173, *Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers*. This, of course, calls into question the wisdom of forcing *anyone*, including CLECS, to build additional capacity to serve mass market customers in the short run. By using UNE-P, CLECs can enter the market to begin to develop a critical mass of customers without construction of un-needed capacity (which also, by the way, preserves the ILECs' existing economies of scale). Only if demand eventually exceeds the capacity of existing ILEC facilities to meet that demand does it become economically rational, from society's point of view, to encourage the construction of additional capacity.

1 incumbent LEC that has incurred substantial sunk costs will drop prices to protect
2 its investment in the face of new entry. In addition, sunk costs can give
3 significant first-mover advantages to the incumbent LEC, which has incurred
4 these costs over many years and has already had the opportunity to recoup many
5 of these costs through its rates.”³³

6 Second, telecommunications is a declining cost industry, and costs can be
7 expected to continue to decline in the foreseeable future. These downward trends
8 in cost are occurring both because the equipment prices of most of the key
9 components of network investment are declining, and because the ILECs
10 themselves continue to aggressively pursue cost cutting. Numerous state
11 commissions, the FCC, the courts and the ILECs themselves have noted these
12 trends, and opined that they are likely to continue. As costs fall in a competitive
13 market, all other things being equal, prices fall as well.³⁴

14 Third, to the extent CLEC competition does take hold – which is the fundamental
15 presumption underlying the business case analysis reflected in BACE – ILECs
16 and CLECs alike will have strong incentives to respond to competition. This will
17 force them to pass through any cost savings to individual customers – in the form
18 of lower prices (and/or more aggressive customer acquisition promotions) – just
19 to maintain market share.

³³ TRO ¶ 7.

1 This is not mere conjecture. The brief history of UNE-P competition has
2 demonstrated that CLEC entry into a market has resulted in lower prices and
3 expanded service offerings by ILECs. For example, when the New York Public
4 Service Commission eliminated impediments to AT&T's ability to employ UNE-
5 P in that state in early 2002, AT&T began to offer a promotion that provided
6 unlimited local calling throughout New York at monthly prices that ranged from
7 \$19.95 in the New York city metropolitan area to \$22.95 in upstate New York.³⁵
8 Although Verizon initially *raised* rates, AT&T assured both its existing customers
9 and new customers that signed on before April 30, 2002 that its monthly rate
10 under this promotion was guaranteed through April 30, 2003. In response, in the
11 spring of 2002, Verizon offered an unlimited local calling plan, with a choice of
12 three features, priced at \$33.95 in the metropolitan New York city area, and at
13 \$39.80 to \$47.50 upstate.³⁶
14 Other examples of competitive responses from ILECs to CLEC market entry
15 include:

³⁴ Deposition of Dr. Debra J. Aron, February 19, 2004, page 0045, lines 18-20.

³⁵ AT&T's promotion included 4500 minutes of local calling (with calls beyond 4500 minutes priced at 2 cents per minute), with *unlimited* local calling until April 30, 2003 for those customers who enrolled before April 30, 2002.

³⁶ At the time, AT&T's service could be obtained without features, which was attractive to some customers, or they could add features a la carte or in a 3-feature bundle of call waiting, three-way calling and caller ID at a price of \$12.50 per month. Verizon ultimately offered an unlimited calling plan that could be obtained without features, thereby matching AT&T's offering.

- 1 • After AT&T entered the local market in Michigan, SBC reduced rates by
2 approximately 30 percent to meet competition.³⁷
- 3 • In Illinois, SBC reduced rates and simplified its billing practices to meet
4 competition from AT&T and other CLECs.³⁸
- 5 • In California, MCI and AT&T offered customers unlimited local calling
6 within ZUM 3 (the band 12 to 16 miles from home), and SBC responded
7 with MetroPlanSM, which offered unlimited ZUM 3 calling in seven
8 metropolitan areas.³⁹
- 9 • In Indiana, “[c]iting the need to keep pace within an increasingly
10 competitive marketplace, SBC Ameritech today announced new service
11 packages for its Indiana residential service customers . . . [which] offer up
12 to a 20 percent savings and include the first offering of unlimited local toll
13 calling in Indiana in the company’s history.”⁴⁰
- 14 • One week after AT&T entered the local market in California, offering a
15 package that included unlimited local and Zone 3 calling, one line, and
16 three features for \$19.95 per month, SBC responded by introducing
17 various promotions, including “Winback Value Solution 2002,” which
18 offered a flat rate line and three features for \$21.95. SBC’s promotion
19 also included a \$2 credit on the Value Plan offer when the customer
20 returned to SBC from another local competitor.⁴¹

³⁷ Grand Rapids Press (editorial), “Dialing for Deals: Michigan consumers will benefit from competition in telephone industry,” June 18, 2002 (“Pushed by a growing number of competitors, SBC Ameritech, the state’s dominant local phone provider, cut the price of its basic local-call plan by one-third and lifted the limitation on local and toll calls in other plans”); Marsha Stopa, “SBC Ameritech to cut rates, offer unlimited local telephone calls,” The Oakland Press, June 12, 2002, http://www.zwire.com/site/news.cfm?newsid=4414734&BRD=982&PAG=461&dept_id=468148&rfi=6.

³⁸ See *Ex Parte* letter from Ruth Milkman (WorldCom) to Marlene H. Dortch, dated November 7, 2002, CC Docket Nos. 01-338, 96-98, 98-147, attaching *Chicago Tribune* article, “SBC Ameritech Responds to Local Phone Service Competition With Price Cuts,” November 7, 2002 (noting that in reaction to “heated local calling competition from AT&T, MCI and others,” SBC announced “that it is cutting rates by putting a cap on the monthly price for unlimited local calling”).

³⁹ See SBC’s website: http://www02.sbc.com/Products_Services/Residential/1,,0--1--0,00.html.

⁴⁰ See SBC News Release, “SBC Ameritech Responds to Increasing Local Competition with Discounted Phone Package and Service Achievements,” dated August 12, 2002. http://www.sbc.com/press_room/.

⁴¹ See, e.g., San Francisco Chronicle, Todd Wallace, “Few rivals for Pac Bell; Local competition limited,” September 21, 2002 (“AT&T said it has grabbed tens of thousands of customers since it started offering a

- 1 • In June 1999, Z-Tel began marketing a feature rich, flat rated local
2 service with a Z-Tel designed, broad calling area bundled with long
3 distance service for just under \$50.00,” and that “in response to Z-Tel’s
4 offers, Verizon deployed ‘Premium Local Package,’ which offers
5 unlimited service within [a] Home Region, unlimited local directory
6 assistance, plus [the] choice of four or more vertical features for about
7 \$50.00.⁴²
- 8 • The Bells are trying to turn the same willingness to switch that has cost
9 them millions of customers back to their advantage, says BUS Securities
10 analyst John Hodulik. In many areas they are making aggressive efforts to
11 woo back wayward customers with extra incentives, including Visa gift
12 cards and special discounts or credits available only to returning
13 customers. The extra spending makes it all the more important that the
14 customers stick around long enough for the company to recover its
15 investment.⁴³

16
17
18 Bellsouth has also offered reduced pricing and other discounts in response to
19 competition and attempts to “Win back” customers.

20 BellSouth Notice: BellSouth small business promo on
21 BellSouth Local Services -- This promotion takes a
22 percentage off of the customer’s bill each month depending
23 on the length of the agreement.⁴⁴

24 BellSouth is offering cash back for signing up for certain
25 services, totaling up to \$100. It is offering a \$25 cash back

\$20 local plan service package last month, that was initially 20 percent less than Pac Bell’s competing package, but Pac Bell has since matched the price”).

⁴² Comments of Z-Tel, Declaration of Robert A. Curtis, CC Docket Nos. 01-338, 96-98, 98-147, April 5, 2002, ¶ 15 (footnote omitted).

⁴³ Phone-Service Bundles could Backfire as Customers Switch, Wall Street Journal, November 2003. This article also indicates that the monthly churn rate for MCI’s bundled product offerings is approximately 8 percent, which is double the 4% monthly churn assumed by the BACE model for residential customers. Bellsouth assumes an even lower churn rate for small business and enterprise customers.

⁴⁴ <http://cpr.bst.bellsouth.com/pdf/ky/notice/KY2003-094.pdf>

1 award for each of the following services available: local
2 (BellSouth® Complete Choice® Plan), long distance
3 (Unlimited Long Distance Plan), Internet (BellSouth®
4 Internet Services) and wireless (Cingular® Wireless).⁴⁵

5 BellSouth today announced its International Advantage At
6 Home Plan, a new international long distance calling plan
7 with aggressive rates to all cities in more than 220
8 countries. With the BellSouth® International Advantage At
9 Home plan, residential customers can enjoy low rates,
10 which are flat rates any time of day or night, seven days a
11 week. Customers who sign up in the first three months of
12 the plan, October through December, can take advantage of
13 additional savings under a special holiday promotion in
14 which the monthly recurring charge of \$2.95 will be
15 waived through December 31, 2003.⁴⁶

16 Academic studies also confirm that competition from CLECs would be likely to
17 spawn reaction from ILECs in the form of lower prices. For example, a study
18 undertaken in May of last year concluded that “[a]lthough economically feasible
19 UNE-based competition for local telephone service has only been available for
20 less than a year in California,” competitive entry has resulted in “savings to
21 residential telephone subscribers in California for local service alone [of] at least
22 \$189 million on an annual basis,” and that consumers have benefited from
23 “effective expansion of local calling areas . . . and competitive responses from

⁴⁵ <http://www.bellsouth.com/consumer/answers/answerspromo.html?reshpg1=answers>
BellSouth AnswersSM Calling Plan

⁴⁶ BellSouth Gives Long Distance Callers The 'International Advantage' October 20, 2003 Press Release.
http://bellsouthcorp.com/proactive/newsroom/release.vtml?id=44227&PROACTIVE_ID=cecf6c6c9c9c8cfcac5cecf6cfc5cececbcecbccc7c7cdccc5cf

1 incumbents.”⁴⁷ Similarly, in the fall of 2003, the American Enterprise Institute
2 found that competition from CLECs would result in annual savings in the billions
3 of dollars, in part from price reductions by the ILECs.⁴⁸

4

5 **Q. IS THERE ADDITIONAL EVIDENCE OF RECENT PRICE TRENDS OF**
6 **LOCAL AND LONG DISTANCE SERVICES THAT SUPPORT PRICE**
7 **DECLINES?**

8 A. Yes. The historic industry data coupled with recent market evidence suggests
9 price (and volume) declines along with heightened competition from intramodal
10 and intermodal competition.

11

12 The average revenue per minute of long distance calling,
13 which reflects rates paid by residential and business
14 consumers, has fallen by 47% since discount and
15 promotional long distance plans were introduced in 1992.⁴⁹

16

17 Across the board, the long-distance industry is facing
18 pricing pressures in data and voice. ... Long distance is just
19 not a very good business to be on a stand alone basis," said
BB&T Capital Markets analyst Rex Mitchell.⁵⁰

20

21 Competition in the U.S. telecommunications market has
escalated as long-distance and local telephone companies

⁴⁷ Yale M. Braunstein, “The role of UNE-P In Vertically Integrated Telephone Networks: Ensuring Healthy and Competitive Local, Long-Distance and DSL Markets,” May 2003 at 7.
<http://www.sims.berkely.edu/~bigyale/UNE/>.

⁴⁸ Kevin A. Hassett, Zoya Ivanova and Laurence J. Kotlikoff, “Increased Investment, Lower Prices – the Fruits of Past and Future Telecom Competition” (September 2003).
<http://econ.bu.edu/kotlikoff/HIK%209-16-03.pdf>.

⁴⁹ Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service, July 15, 2003 (page III)

⁵⁰ Reuters (Feb, 2002), <http://www.crn.com/sections/BreakingNews/dailyarchives.asp?ArticleID=33103>

1 have plowed into each others' markets with packages of
2 service. Discounts and heavy advertising have weighed on
3 profit margins.⁵¹

4 Spending on wireless services rose 14.3 percent in 2003 to
5 \$89 billion, surpassing long-distance services (\$78.0
6 billion) for the first time, according to TIA's 2004
7 Telecommunications Market Review and Forecast. The
8 increases in wireless services spending helped offset
9 declines in local exchange services and long-distance (or
10 toll service) spending of -2.9 and -8.2 percent respectively.
11 The 8.2 percent decrease in toll-service spending during
12 2003 is its third consecutive decrease, as the shift from
13 wireline to wireless in long-distance traffic continued.⁵²

14 Providing local and long-distance phone services will not
15 be very profitable in 2004," stated Humphreys, director of
16 the Selig Center for Economic Growth. "The opportunity to
17 increase yields is limited until excess capacity is absorbed
18 by demand growth. Many companies also are burdened by
19 debts incurred as they expanded and upgraded their
20 networks and service offerings."⁵³

21 Price erosion is one of the key causes of the decline in fixed
22 voice revenues from which most fixed operators are
23 currently suffering. For the US long-distance providers,
24 year-on-year price reductions of the order of 15-20% are
25 hitting revenues hard. For providers of services to MNCs,
26 20-30% annual price erosion is making it extremely
27 difficult to maintain present contract values at renewal
28 time. And for incumbent fixed operators, reductions of 2-
29 5% per year or more are painful, coming as they do on top
30 of market share losses and substitution from mobile and
31 broadband.⁵⁴

⁵¹ Reuters (Jan, 2004), <http://www.forbes.com/newswire/2004/01/22/rtr1223130.html>

⁵² Spending on Wireless Services Surpasses Long-Distance Services Spending'—TIA Online (March 4, 2004). http://www.tiaonline.org/media/press_releases/index.cfm?parelease=04-23

⁵³ Phone companies facing a fickle forecast' – www.bizjournal.com (Jan 9, 2004). <http://www.bizjournals.com/atlanta/stories/2004/01/12/focus4.html>

⁵⁴ 2004: price trends need to change, but won't' – (www.ovum.com)

1

2 **Q. ARE THERE FORECASTS OF PRICE TRENDS FOR LOCAL AND**
3 **LONG DISTANCE SERVICES?**

4 A. Yes. Independent analyst forecasts for local and long distance services anticipate
5 future declines in the average revenue per line for both local and long distance
6 telecommunications services. For example, within the long distance product
7 pricing arena, independent analysts such as JP Morgan expect significant price
8 declines, approximating 10 percent per year through 2008.

9 The telecom industry is entering a new era of heightened
10 competitive pressure. Historic drivers of growth will
11 increasingly cannibalize legacy revenues, prompting slower
12 revenue growth and accelerating price competition across
13 all major lines of business.⁵⁵

14 Heightened competitive pressure will likely limit the
15 industry's top-line growth to 1% per annum through 2007.
16 Double-digit declines in long-distance voice should be
17 partially offset by modest growth in wireless, local data.⁵⁶

18 Consumer Revenue Should Feel Most Pressure. All three
19 of these competitive pressures-wireless migration, new
20 entrants and wireless substitution-should conspire to reduce
21 the consumer retail long-distance market from \$20 billion
22 in 2002 to just \$9 billion in 2007. We expect volumes to
23 continue to decline around 6% per year, pricing pressure to

<http://www.ovum.com/go/content/c.42031>

⁵⁵ U.S. Telecommunications: The Art of War, JP Morgan, North American Equity Research, November 7, 2003, Page 1.

⁵⁶ Ibid.

1 continue at 5% per year, and access lines (including cable)
2 to decline by 3%.⁵⁷

3 **Q. WHAT IS THE IMPORTANCE IN THIS PROCEEDING OF THIS**
4 **LITANY OF COMPETITIVE PRICING RESPONSES BY ILECS?**

5 A. Dr. Aron describes the business case analysis conducted by BACE as an
6 “investment decision.” Any CLEC considering entry into the local services
7 market in Kentucky, or any other state for that matter, could not responsibly
8 evaluate that decision without assuming that retail prices would decline almost
9 immediately as ILECs sought to meet competition, particularly competition for
10 the ILECs’ most profitable customers. In Florida, Dr. Aron defended her
11 assumption that existing retail prices would continue throughout the 10-year
12 analysis by arguing that the use of current retail prices in BACE is required by the
13 language of the TRO.⁵⁸ Dr. Aron, in the FL hearings, confirms that prices remain
14 constant (prices do not fluctuate at all) throughout the entire 10 years that are
15 modeled by BACE.

16 Q. Setting aside terminal value, Dr. Aron, can we come back to the
17 prices? The prices that you input at the beginning of the BACE model for
18 the ten-year model run remained constant. Do I have that right?

⁵⁷ U.S. Telecommunications: The Art of War, JP Morgan, North American Equity Research, November 7, 2003, Page 14.

⁵⁸ As noted earlier, the retail prices input into the BACE model may be as much as a year out of date. If retail prices have declined after the BACE input data was gathered, then BACE would not even reflect current retail prices in the markets for which the business case analysis is being conducted.

1 A. “Right. For the ten years that are explicitly modeled. And the reason I
2 mentioned the terminal value is because it incorporates implicit
3 assumptions about the prices.”⁵⁹

4 This is neither entirely accurate nor logical. The TRO clearly contemplates – in
5 the context of its discussion of the business case analysis – that prices might
6 decline over time in response to competition, and that it would be appropriate to
7 take these anticipated price declines into account. “State commissions should
8 consider how competitors’ ability to serve the market is facilitated in those areas
9 where rates are ‘above cost,’ and is impeded where rates are ‘below cost,’ while
10 recognizing that rates are likely to change over time in response to competition.”⁶⁰

11 Clearly, ¶ 1588 of the TRO suggests that it is easier, analytically, to conduct the
12 business case analysis by assuming that existing retail prices will continue.

13 However, if this has the effect of significantly overstating CLEC revenues that
14 could reasonably be anticipated as a result of entry, and thereby seriously
15 distorting the viability of the investment decision that Dr. Aron describes, then
16 failure to take such competitive responses into account would make a mockery of
17 the business case analysis required by the TRO and would result in findings of no
18 economic impairment in markets where even an efficient CLEC could not hope to
19 profitably compete over the long run. In short, ignoring such price declines is
20 simply inconsistent with the analysis of entry barriers that the FCC, and BellSouth
21 itself, argues should be reflected in a business case analysis.

⁵⁹ Dr Aron, FL Hearing ‘Transcripts’, F-0851-V12, pp 1804.

1 **Q. HAVE YOU CONDUCTED ANY SENSITIVITY ANALYSES TO**
2 **DEMONSTRATE WHAT THE EFFECT WOULD BE OF ASSUMING**
3 **THAT PRICES DECLINE OVER TIME?**

4 A. Yes. I have conducted a sensitivity study of this issue. I have assumed that prices
5 will decline by a modest 1 percent annually. This had the effect of reducing total
6 NPV from \$23.2 million to \$12.3 million. This sensitivity is shown in Exhibit
7 JCK-5.

8 **Q. HAVE YOU CONDUCTED A SENSITIVITY STUDY THAT COMBINES**
9 **THE EFFECTS OF CHANGING A FEW OF THE MOST UNSUPPORTED**
10 **INPUT ASSUMPTIONS IN THE BACE MODEL?**

11 A. Yes, I have. I have conducted a BACE run for Kentucky that incorporates three
12 changes, *i.e.*, a 5 percent ultimate market share (instead of the 15% market share),
13 a straight-line penetration of the market (instead of the more rapid penetration
14 rate), and a 1 percent per year decline in prices (instead of the flat pricing
15 assumptions). This reduces total NPV from \$23.2 million to a negative \$10.2
16 million. This sensitivity is attached as Exhibit JCK-6.

17 **IV. OTHER ANALYSES RAISE CONCERNS ABOUT THE BACE MODELS**
18 **STRUCTURE**

19 **Q. ARE THERE OTHER CONCERNS YOU HAVE ABOUT THE INPUTS TO**
20 **THE BACE MODEL, OR THE WAY THOSE INPUTS ARE EMPLOYED**
21 **IN BACE?**

22 A. Yes, I have identified several other areas of the model that appear to have
23 problems, although my lack of access to the code and underlying tables has

⁶⁰ TRO ¶ 518.

1 hindered the completion of these analyses. As a result, our review is ongoing and
2 contingent upon accessing the model and code to complete these types of
3 analyses. Once we are provided the necessary level of access to the model
4 algorithms and data assumptions to complete these analyses, we will supplement
5 this testimony.

6 **Filtering Negative Margin Assumption**

7 BellSouth's BACE model assumes that the CLECs will not serve geographic
8 areas that are not profitable.⁶¹ For example, BellSouth may remove certain wire
9 centers or geographic areas from the business case analysis results where
10 revenues do not exceed direct costs.

11 First, selectively eliminating customers in this way creates a significant potential
12 for introducing mathematical errors. Once groups of wire centers or geographic
13 areas are excluded from the business case analysis, the model needs to properly
14 recalculate and reallocate to the remaining customers costs that are fixed and

⁶¹ For example, The BACE Methodology Manual describes the "FilterNegativeMarginMassMarketInMarkets optimization toggle" as allowing the user to determine if BACE will automatically remove Mass Market customers from Markets in which the Mass Market customers have a negative NPV. If this toggle is set to "Y", BACE examines the aggregate direct costs and revenues for Mass Market customers for the positive contribution-wire centers (if the FilterNegativeMarginCLLIs is set to Y, all wire centers otherwise) within each market to determine if those customers provide a positive contribution to the CLEC, *i.e.*, positive Mass Market NPV within each market, over the 10-year study time frame. If serving Mass Market customers within any Market has a negative NPV, BACE assumes that the CLEC would not offer services to these customers and thus the costs and revenues are removed from the overall analysis. If the FilterNegativeMarginMassMarketInMarkets toggle is set to N, all remaining Mass Market customers remain in the analysis.

1 attributable to the entire study market (for example, many of the costs associated
2 with the single switch placed in the LATA). This reallocation would presumably
3 cause other initially NPV positive markets included in the study to turn negative.

4 Other potential problems exist with respect to input assumptions related to
5 purchasing power and other operating costs that implicitly assume that the level of
6 CLEC entry will be sufficient to permit the CLEC to achieve the cost reducing
7 effects of scale economies to the same extent BellSouth does today. For example,
8 BellSouth's purchasing power inputs assume that the CLEC will receive the same
9 vendor price discounts that are achieved by BellSouth. However, this assumption
10 would be rendered less appropriate (1) if the CLEC captures only 5 percent of the
11 market, instead of the 15 percent assumed by BellSouth, or (2) if smaller
12 equipment quantities are purchased due to the exclusion of significant portions of
13 the market as a result of negative NPV filters that BACE employs.

14 Based on my current understanding of the BACE model, it may not re-optimize
15 the business case results once certain customers, wire centers or geographic areas
16 are excluded from the analysis – particularly in the areas of purchasing power and
17 operating efficiencies. Due to the impediments described above, we have not yet
18 been able to fully evaluate these mathematical calculations.

19 **Allocation of Fixed Costs To Other ILECs within a LATA**

20 BellSouth's BACE model conducts a business case analysis for the BellSouth
21 service territory and in so doing allocates certain CLEC fixed costs to non-

1 BellSouth customers which implicitly *assumes* a CLEC could profitably service
2 these customers. At page 46 of his testimony, Mr. Stegeman states that “to
3 accommodate the fact that a CLEC, by installing certain equipment in a LATA,
4 may be able to serve customers via UNEs for carriers other than BellSouth within
5 that same LATA,” he has constructed BACE in a way that allocates “some of the
6 fixed costs within a LATA to both the BellSouth operating area and the other
7 ILECs within the LATA.”⁶²

8 The problem with this approach is that by allocating a certain proportion of fixed
9 costs to these customers, Mr. Stegeman implicitly *assumes* that doing so would be
10 NPV positive (or at least break even) for the CLEC, without conducting an
11 analysis that would suggest this is so. To the extent serving these customers
12 would be NPV negative -- which is more likely in markets where triggers do not
13 apply -- the full fixed costs of the network would have to be paid by the BellSouth
14 customers that are the subject of the BACE analysis. In short, this assumption
15 tends to understate CLEC impairment with respect to BellSouth’s customers.

16 **DSL Deployment**

17 BellSouth also assumes in its impairment analysis that the CLEC will be offering
18 DSL services in markets where it establishes collocation. But many of today’s
19 CLEC UNE-P customers do not obtain DSL services from the CLEC that

⁶² Stegeman Direct Testimony, page 46.

1 provides local service using UNE-P. Instead, they may receive DSL service from
2 an ILEC, a CLEC that specializes in DSL, or competing high-speed Internet
3 access cable provider. In reality, CLECs do not provide DSL, but instead contract
4 with a specialist (such as Covad) to provide these services. Strong evidence exists
5 of a separate market in which significant customer penetration is necessary to
6 achieve economies of scope and scale. The BACE assumptions about DSL
7 penetration in each customer class cannot be effectively evaluated without
8 understanding more precisely how BACE separates the customers in each wire
9 center into the five customer segments (one residential and four business), the
10 extent of existing DSL penetration for each of these customer classes in each wire
11 center, the full costs that the BACE model calculates for providing DSL service,
12 and the extent to which DSL service is provided in the “real world” by CLECs,
13 DLECs or the ILEC.

14 **Terminal Value**

15 BellSouth’s BACE model erroneously assumes that the CLEC business, including
16 its assets, will be sold at the end of year 10 for a value equal to the net book value
17 of the remaining assets. In my view, the decision to include a terminal value in
18 the business case analysis is conceptually flawed. First, the TRO does not
19 contemplate an efficient CLEC selling its assets. Second, the inclusion of a
20 terminal value assumes that the venture is profitable from that point on, instead of
21 testing to determine if it is profitable. Instead of testing to determine whether

1 revenues will exceed the costs of serving the mass market at that point, BellSouth
2 assumes -- by virtue of including a sale value at the end of the 10 year period --
3 that the venture will be NPV positive.⁶³

4 **V. OTHER SENSITIVITY STUDIES ESTABLISH THAT THE BACE**
5 **MODEL IS UNSTABLE, AND GENERATES ANAMOLOUS RESULTS**

6 **Q. IN ADDITION TO THE SENSITIVITIES ASSOCIATED WITH THE**
7 **INPUT CHANGES THAT YOU ADVOCATE, HAVE YOU CONDUCTED**
8 **OTHER SENSITIVITY STUDIES OF BACE?**

9 A. Yes. Undertaking sensitivity studies is an important initial step in seeking to
10 understand how a model works, or in seeking to ensure that a model one has
11 constructed is working properly. By implementing a series of independent
12 changes to the model inputs, one examines both the direction of changes in the
13 model outputs and the magnitude of those changes to determine whether these
14 conform to the analyst's expectations. Where possible, it is useful to examine
15 these sensitivity results at a granular level, because where results conform to
16 expectations in certain instances, but not in others, this too can be indicative of a
17 potential modeling deficiency. Sometimes, of course, these results indicate that
18 the analyst's expectations were flawed. In other circumstances, these

⁶³ The BACE Methodology Manual at page 26 states that the IncludeTerminalValue toggle permits the user to have the model either "include or exclude a terminal value in the derivation of the model's NPV. If the user sets IncludeTerminalValue = "Y" then BACE will include a multiple of the net book value of the assets in the NPV calculation. The model assumes the CLEC business, including its assets, is sold (as an ongoing business) at the end of year 10 for a value equal to the net book value of the remaining assets. The net book value is discounted appropriately. If the user sets IncludeTerminalValue = "N" then BACE will not include any terminal value in the NPV. (Note: The multiple used is the value of the TerminalValueMultiplier)."

1 unanticipated results indicate that the model is flawed – often because the model
2 incorporates a simplifying assumption where a more sophisticated assumption is
3 required.

4 As I note above, sensitivity studies are only the first step in evaluating a model –
5 but they are an important first step. If unanticipated results are obtained, it is
6 critical that the causes of these results be fully understood before the model is
7 used for decision-making. This, in turn, requires access to the underlying input
8 data and to the source code in a form that permits the code to be changed, re-
9 compiled and re-run. The process of altering the inputs and/or computer code, re-
10 compiling the program and re-running the model is required (1) to help determine
11 where in the model anomalous results are being created, and (2) to ensure that
12 whatever changes are being proposed actually serve to eliminate the problem. As
13 I stated above, BellSouth has not provided either the full range of input data, or
14 the source code in the necessary format.

15 After running the BACE model with BellSouth’s initial inputs – to establish that I
16 was able to reproduce Mr. Stegeman’s results – I made several different
17 sensitivity runs. The results of these sensitivity runs suggest the need for the
18 Commission to be extremely skeptical about the BACE model results.

1 **Long Distance and Local NPV**

2 As a threshold matter, the impairment standard requires an analysis of geographic
3 and product markets to estimate whether an efficient CLEC could profitably serve
4 a particular market. The following table demonstrates two important aspects of
5 the BACE results. First, even with BellSouth's flawed input assumptions, the
6 local services product for the mass market (and enterprise) customers derives a
7 large negative NPV approximately equal to \$8.9 million. This result is important
8 in the context of evaluating a business case analysis because nothing constrains
9 any CLEC from entering the other product markets today. Further, a CLEC
10 making an entry strategy decision today could also consider not entering an
11 unprofitable product market.

12 Second, the table also demonstrates that the Kentucky mass market (*i.e.*,
13 residential plus small business customers) achieves the majority of its profits from
14 the long distance product category. As discussed above this long distance market
15 has faced intense competition historically from a variety of intramodal and
16 intermodal competitors that have caused rates to decline appreciably. The fact that
17 CLECs are not making this profit in the long distance market today calls
18 BellSouth's modeling assumptions into serious question. Furthermore, due to the
19 intense competition, analysts expect volumes and prices to decline in lockstep for
20 the foreseeable future, thus reducing the revenues associated with long distance

1 services. In addition to IXC's, there are RBOCs, CLECs and traditional long
 2 distance resellers competing in this product space. In addition, there is significant
 3 intermodal competition from wireless carriers today, which is expected to
 4 intensify in the future, and VoIP is expected to become increasingly competitive.
 5 Thus, the fact that such a large proportion of the profits that BellSouth assumes a
 6 CLEC will be able to earn are from a highly competitive and shrinking long
 7 distance product market (that today's CLECs could have already entered if its
 8 economics were so favorable) suggests that the assumptions used in BACE are
 9 unrealistic.

10

11

12

Table JCK- 6
Summary Of Net Present Value By Customer And Product Segment
BellSouth Kentucky

Net Present Value

	Eqn	All Products (\$)	Local (\$)	Long Distance (\$)	Internet (\$)	VoiceMail (\$)
Business						
SOHO	a	5,756,272	3,364,591	2,394,267	(89,471)	86,885
SME/A	b	286,159	(5,077,563)	4,812,691	678,547	(127,516)
SME/B	c	2,984,548	678,362	2,987,044	(649,719)	(31,140)
SME/C	d	6,764,630	3,154,596	4,445,883	(835,849)	-
Residential	e	<u>7,449,057</u>	<u>(10,982,085)</u>	<u>17,788,301</u>	<u>(655,674)</u>	<u>1,298,515</u>
	f = sum					
Total	(a:e)	23,240,666	(8,862,098)	32,428,185	(1,552,166)	1,226,744
NPV for Mass Market	g = a + e	13,205,328	(7,617,493)	20,182,567	(745,146)	1,385,400
NPV for Enterprise	h = f - g	10,035,338	(1,244,604)	12,245,618	(807,021)	(158,656)

13

Effect of Applying the 10% Price Discount to All Products

1 BellSouth claims or suggests that its business case analysis is conservative
2 because it applies a 10% price discount to estimate a CLEC retail price. Contrary
3 to its claims, the CLEC discount of 10% BellSouth uses as a default input in
4 BACE is not applied to all products and services; instead, it is applied only to the
5 prices for line subscriptions, installations and regulatory charges. This has the
6 effect of inflating the NPV and revenues in the initial BACE model. By first
7 eliminating the original CLEC discount from BACE, and then applying a 10%
8 discount to all products and bundles to more accurately reflect the price discount a
9 CLEC would have to offer a customer in order to convince them to switch
10 providers, the overall NPV drops 64.6% and 71.8% for the total market and mass
11 market, respectively. The detailed results are summarized on Exhibit JCK-7.

12 **Table JCK – 7**

13
14 **Comparison of BellSouth CLEC Discount to 10% Discount Applied to all Products**
15 **for Kentucky**

	<u>Mass</u> <u>Market</u> <u>NPV</u>	<u>Total NPV</u>
BellSouth BACE for Kentucky	\$13,205,328	\$23,240,666
10% Base Year Price Discount on all Products	\$3,730,013	\$8,220,385

16
17
18

Bundle Discount Input Assumption

19 For the bundle discount input, sensitivity runs show that the BACE model does
20 not work according to BellSouth's description. The BACE model allows the user
21 to adjust the products in a bundle that are included in the bundle discount

1 calculation but unfortunately this functionality does not appear to be working
2 properly. On page 31 of “The BellSouth Analysis of Competitive Entry Model
3 Methodology Manual,” BellSouth states:

4 Fifth, bundle adjustment factors are determined for each product in
5 each market. By comparing the sum of *à la carte* prices (for a
6 given customer bundle in a given area) with the actual bundle price
7 for the same area and customer group, a retail price to bundle price
8 adjustment factor can be calculated. The user has an option to
9 exclude certain products in each bundle from this bundle discount
10 calculation through the IncludedInDiscount field.

11 The sixth task is to determine the implied or imputed discount off
12 of the *à la carte* product prices for each product (this is controlled
13 by the user as noted in the prior paragraph) within the bundles.
14 This is accomplished by multiplying bundle adjustment factors for
15 each bundle by the *à la carte* prices for each bundle component.
16 As noted, the user has the option of excluding product components
17 from this implied discounting process. Alternatively, the user could
18 assume only toll products should receive the discount by adjusting
19 the IncludeInDiscount field for only toll products within the bundle
20 definition.

21 This calculation of implied or imputed prices for products within a
22 bundle does not affect the NPV (*vis-à-vis* a calculation with bundle
23 prices only). However, this assumption allows for greater ease in
24 modeling (in the P, Q, and R processes) and reviewing model
25 results at various levels along the product, customer and location
26 hierarchies.

27 Adjusting the BACE model run submitted by BellSouth by changing only the
28 “IncludedInDiscount” field, however, produces anomalous results. Exhibit JCK-8
29 shows a net present value of zero for all mass markets if the
30 “IncludedInDiscount” field is set to “Yes” for all “Subscription” Product
31 Elements, which is not the same result reflected in the BACE model run filed by
32 BellSouth. This is inconsistent with the above-quoted language from the BACE

1 Methodology Manual, which states that “[t]his calculation of implied or imputed
2 prices for products within a bundle does not affect the NPV (vis-à-vis a
3 calculation with bundle prices only).” That the result is quite different from the
4 way it is described in the model documentation is further evidence that the model
5 is not working as intended by BellSouth, is unstable, and not yet reliable.

6 **Effects of Decreasing Residential Market Penetration Rate**

7 Sensitivities on the BACE Model residential market penetration assumptions
8 produce an unanticipated reduction to the Enterprise NPV. The BACE model
9 “uses a simplified Bass curve⁶⁴” to simulate market penetration throughout time
10 within the various spend bands. As stated earlier, the rates of penetration
11 assumed by BellSouth for residential customers tend to “front-load” customer
12 acquisition. As expected, by altering this penetration pattern and rate for
13 residential customers to a straightline penetration, the NPV for mass market
14 customers decreases by 51.8 percent. Curiously, this change also negatively
15 affects the enterprise market NPV by reducing the NPV by 43 percent even
16 though the penetration rate for business customers was not changed. These results
17 are put forth in Exhibit JCK-3.

18

19 **Effects of 1 Percent Annual Price Reduction**

⁶⁴ The BellSouth Analysis of Competitive Entry Model Users Guide, p. 10

1 Sensitivities on the BACE Model price reduction assumptions produce a much
2 lower (and unanticipated) change on the Enterprise NPV than the Mass Market
3 NPV. The BACE model allows the user to change the prices of products and
4 bundles on an annual percentage basis over time. I performed a sensitivity test
5 applying a one percent discount each year on product and bundle prices, thereby
6 reducing the NPV of both mass market and enterprise customers by 51.1 percent
7 and 41.9 percent respectively. The detailed results are summarized on Exhibit
8 JCK-5. The reduction of NPV for each customer category is notable, but perhaps
9 more interesting is the significant difference in the percentage decreases for each,
10 reflecting potential instability in the model. There is no reason to expect that the
11 NPV of the enterprise market would fall by a much lower percentage than the
12 mass market. If anything, the mere fact that actual CLEC entry has focused on the
13 enterprise market suggests that this segment is a more profitable market than the
14 mass market and therefore should have a more dramatic decline in the NPV.

15

16 **Other Taxes**

17 The BACE Model inaccurately calculates taxes when the model produces a
18 negative Net Present Value for the CLEC. As the following excerpt from Mr.
19 Stegeman's deposition in the Florida proceeding indicates, he was aware of an
20 error inherent in the taxes calculation of the BACE code that he chose not to fix:

21

22 A So let me restate it then. What happens is, the firm in total is losing money. So the allocation
23 scheme does -- I don't want to say fall part. It just -- it produces anomalous results because we've
24 exceeded what we had thought people would be looking at for results underneath. If the firm in
25 total is losing money, does it then make sense to look at individual markets underneath of it

1 because the firm is impaired? So it's one of those convoluted things. We could potentially make a
2 correction to the allocation scheme so that the allocation scheme works well when you have a
3 positive post-tax NPV. If you have a negative post-tax NPV, we would probably need to adjust the
4 allocation of the taxes so that there is some, some recognition of the fact that we don't necessarily
5 want to drive what's positive to negative and what's negative to positive because of this flipping.
6

7 Q Just real quick for my clarification. You mentioned a correction. Does that correction need to
8 be in the model?
9

10 A The reason I'm hesitating is when I looked at this, I struggled with the concept of if the firm is
11 losing money in total, what decisions do you then make underneath of that, and that's why I
12 hesitate. Does it make sense to make an adjustment for the fact that the firm in total is negative?
13 A correction could be made. We would just have to put in a, a flag to capture the fact that if the
14 NPV is negative for the firm after tax, use this allocation scheme versus the other one. But again I
15 come back to, is that -- does it make sense to do that? Do the answers -- if you find that the firm
16 in total is negative but a market is positive, I guess it's for a larger discussion. I'm just not sure
17 what that means.⁶⁵

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A. Yes.

⁶⁵ Stegeman Deposition, Docket No. 030851-TP, February 16, 2004, page 60-61.

CURRICULUM VITAE

OF

JOHN C. KLICK

EDUCATION

Bates College, Lewiston, Maine, 1970
Bachelor of Science - Mathematics

Department of Agriculture Graduate School, 1972
Graduate Courses in Operations Research

Loyola College, Baltimore, Maryland, 1973-1974
Graduate Courses in Accounting and Finance

EMPLOYMENT HISTORY

Southern Railway System Washington, DC, 1970 - 1974
Management Trainee (Marketing Department)
Assistant Cost Analyst
Cost Analyst

R. L. Hines Associates, Inc. Washington, DC, 1974 - 1976
Transportation Economist

Snavelly, King & Associates, Inc. Washington, DC, 1976
Consultant

Southern Railway System Washington, DC, 1976 - 1978
Market Analyst, Coal and Construction Materials

United States Railway Association Washington, DC, 1978 - 1980
Manager, Traffic and Operations Analysis
Assistant Director, Traffic and Operations Analysis
Deputy Director, Asset Valuation

Snavelly, King & Associates, Inc. Washington, DC, 1980 - 1987
Senior Consultant
Vice President

Klick, Kent & Allen, Inc. Alexandria, Virginia, 1987 - 1998
Principal

FTI Consulting, Inc. Washington, DC, 1998 - Present
Senior Managing Director, Financial Consulting Division

TELECOMMUNICATIONS TESTIMONY

Courts

December 4, 2000 United States District Court, Central District of California, Western Division. Case No. 99-11641 RSWL (RCx). Arthur Simon, et al, v. American Telephone & Telegraph Corp.; At Home Corporation; Arahova Communications, Inc.; Cox Communications, Inc.; Comcast Corporation; Cablevision Systems Corp.; Garden State Cablevision LP; Jones Intercable, Inc.; Time Warner, Inc.; Time Warner Entertainment Co., L.P.; TWE □ A/N Partnership; MediaOne Group; Servico L.L.C.; and Telecommunications, Inc. Declaration of John C. Klick and Brian F. Pitkin In Support of Defendants □ Motion In Opposition To Plaintiffs □ Motion for Class Certification.

Federal Communications Commission

May 26, 1999 CC Docket No. 96-98. In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. Affidavit of John C. Klick and Brian F. Pitkin.

May 26, 1999 CC Docket No. 96-98. In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. Affidavit of Michael J. Boyles, John C. Klick and Brian F. Pitkin.

June 10, 1999 CC Docket No. 96-98. In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. Reply Affidavit of Michael R. Baranowski, John C. Klick and Brian F. Pitkin.

December 14, 1999 CS Docket No. 99-251. In the Matter of: Applications for Consent to the Transfer of Control of Licenses MediaOne Group, Inc. to AT&T Corp., Competition ofr Broadband Technology Serving the Residential Customer.

March 13, 2001 File No. EB-00-MD-001. In the Matter of AT&T Corp. v. Business Telecom Inc. Affidavit of John C. Klick

October 10, 2002 WC Docket No. 02-307. In the Matter of Application by BellSouth Corporation, for Authorization To Provide In-Region, InterLATA Services in the States of Florida and Tennessee. Declaration of John C. Klick and Brian F. Pitkin on Behalf of AT&T Corp.

November 1, 2002 WC Docket No. 02-307. In the Matter of Application by BellSouth Corporation, for Authorization To Provide In-Region, InterLATA Services in the States of Florida and Tennessee. Reply Declaration of John C. Klick and Brian F. Pitkin on Behalf of AT&T Corp.

November 16, 2002 WC Docket No. 02-307. In the Matter of Application by BellSouth Corporation, for Authorization To Provide In-Region, InterLATA Services in the States of Florida and Tennessee. Further Declaration of John C. Klick and Brian F. Pitkin on Behalf of AT&T Corp.

January 7, 2003 WCB Docket No. 03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Declaration of John Klick and Julie Murphy

March 5, 2003 WCB Docket No.03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Reply Declaration of John Klick and Julie A. Murphy.

March 13, 2003 WCB Docket No.03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Declaration of John Klick and Julie Murphy, In Support of Alascom's Opposition to General Communication, Inc. FOIA, Control No. 2003-208.

April 4, 2003 WCB Docket No.03-18. In the Matter of Alascom, Inc. Request for Waiver of Commission Rule And Orders Requiring Annual Tariff Revision, Alascom, Inc. Petition for Waiver, Declaration of John Klick and Julie A. Murphy, Supplement to Waiver Request and Supplement to Response to FOIA Request.

December 16, 2003 WC Docket No. 03-173. Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers.

January 30, 2004 WC Docket No. 03-173. Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers.

Alabama Public Service Commission

March 5, 2004 Docket No. 29054 (Phase II). In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Public Utilities Commission of the State of California

December 4, 1998 Case No. R93-04-003. Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish a Framework for Network Architecture Development of Dominant Carrier Networks. Initial Statement of John C. Klick

August 20, 2001 Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Testimony of John C. Klick in Support of Joint Applicants' Motion for Interim Relief

September 7, 2001 Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Reply Comments of Joint Applicants' Regarding Unbundled Loop Interim Proposal

October 30, 2001 Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Reply Comments of Joint Applicants' Regarding Unbundled Loop Interim Proposal

- November 5, 2001 Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Response of Joint Applicants to (1) Motion of Pacific Bell Telephone Company (U 1001 C) to Notify Parties of Discounted Switching UNE Prices; and (2) Pacific Bell Telephone Company's (U 1001 C) Motion to Vacate the Assigned Commissioner's and Administrative Law Judge's Ruling of September 28, 2001 as Moot
- November 9, 2001 Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Reply Comments of Joint Applicants Regarding Unbundled Switching Interim Proposal
- September 9, 2002 Rulemaking 93-04-003. Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant carrier Networks. Investigation 93-04-002. Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks. Declaration of John C. Klick in Support of Proposal of AT&T Communications of California, Inc. (U 5002-C) and WorldCom, Inc. ("Joint Commentors") For Interim Unbundled Network Element Rates.
- September 20, 2002 Rulemaking 93-04-003. Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant carrier Networks. Investigation 93-04-002. Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks. Declaration of John C. Klick in Support of Proposal of AT&T Communications of California, Inc. (U 5002-C) and WorldCom, Inc. ("Joint Commentors") For Interim Unbundled Network Element Rates.
- October 18, 2002 Application No. 01-02-024. Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Cost Pursuant to Ordering Paragraph 11 of D.99-11-050. Declaration of John C. Klick in Support of Joint Applicants' Opening Comments.

Public Utilities Commission of the State of Colorado

- February 21, 1997 Docket No. 96S-331T. In the Matter of the Investigation and Suspension of Tariff Sheets Filed by U S WEST Communications, Inc., With Advice Letter No. 2617, Regarding Tariffs For Interconnection, Local Termination, Unbundling and Resale of Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- March 6, 1997 Docket No. 96S-331T. In the Matter of the Investigation and Suspension of Tariff Sheets Filed by U S WEST Communications, Inc., With Advice Letter No. 2617, Regarding Tariffs For Interconnection, Local Termination, Unbundling and Resale of Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- March 26, 1997 Docket No. 96S-331T. In the Matter of the Investigation and Suspension of Tariff Sheets Filed by U S WEST Communications, Inc., With Advice Letter No. 2617, Regarding Tariffs For Interconnection, Local Termination, Unbundling and Resale of Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

- May 6, 1997 Docket No. 97M-063T. In the Matter of the Administration of the Colorado High Cost Fund and the Development of a Cost Model, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- May 23, 1997 Docket No. 97M-063T. In the Matter of the Administration of the Colorado High Cost Fund and the Development of a Cost Model, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- November 17, 1997 Docket No. 97M-063T. In the Matter of the Administration of the Colorado High Cost Fund and the Development of a Cost Model, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Public Service Commission of the District of Columbia

- March 24, 1997 Formal Case No. 962. In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and implementation of 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- May 2, 1997 Formal Case No. 962. In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and implementation of 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Florida Public Service Commission

- November 13, 1997 Docket No. 960833-TP/960846-TP/971140-TP. In the matter of certain terms and conditions of proposed agreement concerning interconnection and resale, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Idaho Public Utilities Commission

- November 22, 1996 Docket No. USW-T-96-15/ATT-T-96-2. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- January 31, 1997 Docket No. USW-T-96-15/ATT-T-96-2. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

State of Iowa Department of Commerce Utilities Board

- October 7, 1996 Docket No. ARB-96-3. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc. , Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- October 21, 1996 Docket No. ARB-96-3. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- April 23, 1997 Docket No. RPU-96-9. Application for rehearing in part for purposes of Clarification and Correction, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- July 30, 1997 Docket No. RPU-96-9. . Application for rehearing in part for purposes of Clarification and Correction, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Kentucky Public Service Commission

November 4, 1997 Administrative Case No. 360. In the Matter of Inquiry Into Universal Service and Funding Issues, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Louisiana Public Service Commission

August 25, 1997 Docket No. U-22022. Review of cost studies submitted per Local Competition Regulations in order to determine the cost of interconnection and UNEs to establish reasonable, non-discriminatory, cost-based tariffed rates. U-22093. Review of tariff filing per Local Competition Regulations, which tariff introduces interconnection and unbundled services and establishes the rates, terms, and conditions for such service offerings, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 20, 1998 Docket No. U-20993, Subdocket A (above Dockets Consolidated), Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

State of Maryland Public Service Commission

December 5, 1997 Case No. 8766. In the Matter of the Collocation Tariff Filed Under Transmittal No. 1003 by Bell Atlantic-Maryland, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Minnesota Public Utilities Commission

September 30, 1996 Docket No. P-4Y2; YOT/M-96-936. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 18, 1996 Docket No. P-442; 407/M-96-939. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

August 18, 1997 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 20, 1997 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 14, 1997 Docket No. P-442, 407, 5321, 466/CI-96-1541. In the Matter of the Investigation of GTE-Minnesota's Cost of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

- December 19, 1997 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- February 3, 1998 Docket Nos. P-999/M-97-909; OAH Docket No. 12-2500-11342-2. In the Matter of the State of Minnesota's Possible Election to Conduct its own Forward-Looking Economic Cost study to Determine the Appropriate Level of Universal Service Support, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- March 2, 1998 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- March 23, 1998 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- April 6, 1998 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- July 14, 1998 Docket Nos. P-42; 5321, 3167, 466, 421/CI-96-1540; OAH Docket No. 12-2500-10956-2. In the Matter of Generic Investigation of U S WEST Communications, Inc.'s Costs of Providing Interconnection and Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- May 26, 2000 Docket No. P-421/CI-99-1665 ;OAH Docket No. 12-2500-12631-2. In the Matter of a Commission Initiated Investigation into U S WEST Communications, Inc.'s Costs Related to Provision of Line Sharing Service
- June 30, 2000 Docket No. P-421/CI-99-1665 ;OAH Docket No. 12-2500-12631-2. In the Matter of a Commission Initiated Investigation into U S WEST Communications, Inc.'s Costs Related to Provision of Line Sharing Service

Public Service Commission of Missouri

- September 25, 1998 Docket TO-98-329. In the Matter of an Investigation into Various Issues Related to the Missouri Universal Service Fund.

Public Service Commission of the State of Montana

- November 22, 1996 Docket No. D96.11.200. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- January 22, 1997 Docket No. D96.11.200. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 29, 1997 Docket No. D96.11.200. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Nebraska Public Service Commission

October 18, 1996 Docket No. C-1400. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

New Jersey Board of Public Utilities

September 18, 1996 Docket No. TO 96070519. In the Matter of Petition of AT&T Communications of New Jersey, Inc. for Arbitration with Bell Atlantic - New Jersey, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

December 20, 1996 Docket No. TX 95120631. Notice of Investigation Local Exchange Competition for Telecommunications Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 20, 1997 Docket No. TX 95120631. Notice of Investigation Local Exchange Competition for Telecommunications Services, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

New Mexico Corporation Commission

November 22, 1996 Docket No. 96-411-TC. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 20, 1997 Docket No. 96-411-TC. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

June 13, 1997 Docket No. 97-35-TC. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc. and GTE Southwest, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 21, 1997 Docket No. 96-310-TC; Docket No. 97-334-TC. In the Matter of the Implementation of the New Rules Related to the Rural High Cost Fund, and Low Income Components of the New Mexico Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 21, 1997 Docket No. 96-310-TC; Docket No. 97-334-TC. In the Matter of the Implementation of the New Rules Related to the Rural High Cost Fund, and Low Income Components of the New Mexico Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

January 14, 1998 Docket No. 96-310-TC; Docket No. 97-334-TC. In the Matter of the Implementation of the New Rules Related to the Rural High Cost Fund, and Low Income Components of the New Mexico Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

State of New York Public Service Commission

- March 27, 1998 Case No. 95-C-0657. In the matter of Wholesale Provisioning of Local Exchange Service. 94-C-0095. In the matter of the Continuing Provision of Universal Service and Developing a Regulatory Framework for the Transition to Competition in the Local Exchange Market. 91-C-1174. In the matter of Comparably Efficient Interconnection Arrangements for Residential and Business Links, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- October 31, 2003 Case 03-C-0980. Proceeding On Motion Of The Commission As To The Rates, Charges, Rules And Regulations Relating To The Provisioning Of Direct Current Power By Verizon-New York Inc. For Use In Connection With Collocation Spaces
- November 24, 2003 Case 03-C-0980. Proceeding On Motion Of The Commission As To The Rates, Charges, Rules And Regulations Relating To The Provisioning Of Direct Current Power By Verizon-New York Inc. For Use In Connection With Collocation Spaces

North Carolina Public Staff Utilities Commission

- December 15, 1997 Docket No. P-100, Sub 133d. In the Matter of the Determination of Permanent Pricing for Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- January 30, 1998 Docket No. P-100, Sub 133b. In the Matter of Establishment of Universal Support Mechanisms, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- February 16, 1998 Docket No. P-100, Sub 133d. In the Matter of the Determination of Permanent Pricing for Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- March 9, 1998 Docket No.: P-55, Sub 133d. In the Matter of the Determination of Permanent Pricing for Unbundled Network Elements, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- February 16, 2004 Docket No. P-100, Sub 133q. In the Matter of the Triennial Review Order – UNE-P

State of North Dakota Public Service Commission

- November 22, 1996 Docket No. PU-453-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- February 14, 1997 Docket No. PU-453-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- November 10, 1997 Docket No. PU-314-97-465. In the Matter of U S WEST Communications, Inc. Universal Service Costs Investigation, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- December 22, 1997 Case No. PU-314-97-12. In the Matter of U S West Communications, Inc. Interconnection/ Wholesale Price Investigation, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Oregon Public Utility Commission

- October 8, 1996 Docket No. ARB-5. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Pacific Northwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- February 24, 1998 UM 731, Phase 111. In the Matter of the Investigation into Universal Service in the State of Oregon, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Pennsylvania Public Utility Commission

- May 21, 1999 Docket Nos. P-00991648 and P-00991649. Petition of Senators and CLECs for Adoption of Partial Settlement and Joint Petition for Global Resolution of Telecommunications Proceeding.

South Carolina Public Service Commission

- November 10, 1997 Docket No. 97-239-C. In the Matter of Intrastate Universal Service Fund, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- March 12, 2004 Docket No. 2003-326-C. In re: Analysis of Continued Availability of Unbundled Local Switching for Mass Market Customers Pursuant to the Federal Communications Commission's Triennial Review Order

Public Utilities Commission of the State of South Dakota

- November 20, 1996 Docket No. TC-96-184. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.
- January 27, 1997 Docket No. TC-96-184. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Midwest, Inc., and U S WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Tennessee Regulatory Authority

- February 27, 2004 Docket No. 03-00491. In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Public Utility Commission of Texas

- February 27, 1998 Docket No. 18515. Compliance Proceeding for Implementation of the Texas High Cost Universal Service Plan, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Public Service Commission of Utah

- April 23, 1997 Docket No. 94-999-01. In the Matter of an Investigation Into Collocation and Expanded Interconnection, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

Washington Utilities and Transportation Commission

October 28, 1996 Docket No. UT-960307. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Pacific Northwest, Inc., and GTE Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

February 21, 1997 Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

March 28, 1997 Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

April 25, 1997 Docket No. UT-960369. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale. Docket No. UT-960370. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST, Communications, Inc. Docket No. UT-960371. In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE Northwest Incorporated, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

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July 21, 2000 Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part A.

August 4, 2000 Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part A.

October 23, 2000 Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part B.

October 31, 2000 Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part B.

March 26, 2001 Docket No. UT-003013. In the Matter of the Continued Costing and Pricing of Unbundled Network Elements and Transport and Termination, Part B.

Public Service Commission of the State of Wyoming

November 22, 1996 Docket No. 72000-TF-96-95/70000-TF-96-497. In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and US WEST Communications, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

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September 19, 1997 Docket No. 70000-TF-96-319/72000-TF-96-95. In the Matter of the Arbitration by the Public Service Commission of an Interconnection Agreement Between U S WEST Communications, Inc., and AT&T Communications of the Mountain States, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

October 13, 1997 Docket No. 70000-TF-96-319/72000-TF-96-95. In the Matter of the Arbitration by the Public Service Commission of an Interconnection Agreement Between U S WEST Communications, Inc., and AT&T Communications of the Mountain States, Inc., Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 14, 1997 General Order No. 81. In the Matter of the Investigation by the Commission of the Feasibility of Developing Its Own Costing Model for Use in Determining Federal Universal Service Fund Support Obligations in Wyoming, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

November 21, 1997 General Order No. 81. In the Matter of the Investigation by the Commission of the Feasibility of Developing Its Own Costing Model for Use in Determining Federal Universal Service Fund Support Obligations in Wyoming, Pursuant to 47 U.S.C. Section 252 of the Telecommunications Act of 1996.

ENERGY TESTIMONY

Federal Energy Regulatory Commission

May 20, 1991 Docket No. IS90-21-000 et al. Williams Pipe Line Company.

May 3, 1993 Docket No. RM93-11-000. Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992.

November 22, 1993 Docket No. RM93-11-000. Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992.

January 23, 1995 Docket No. IS90-21-000 et al. Williams Pipe Line Company

October, 1999 Affidavit of John C. Klick Concerning Declaratory Order Petition of Colonial Pipeline Company

April 17, 2000 Docket No. OR00-2-000. ExxonMobil Pipeline Company

TRANSPORTATION TESTIMONY

Special Court (Federal) Created Under Sections 303(c) and 306 of the Regional Rail Reorganization Act

January, 1980 Misc. No. 76-1. In the Matter of the Valuation Proceedings.

United States District Court for the District of New Mexico

September, 1989 Deposition Testimony in Texas Utilities Company and Chaco energy Company v. Santa Fe Industries, Inc., et al., No. Civ-82-1419 C.

Interstate Commerce Commission

May, 1981 Finance Docket No. 30000. Union Pacific Corporation and Union Pacific Railroad Company -- Control -- Missouri Pacific Corporation and Missouri Pacific Railroad Company.

February 22, 1983 Docket No. 37886S. Potomac Electric Power Co. v. The Baltimore and Ohio Railroad Co. et al.

February 22, 1983 Docket No. 37834S. Ethyl Corporation v. Illinois Central Gulf Railroad, et al.

May, 1983 Docket No. 38182S. Consumers Power Company v. Norfolk & Western Railway Company.

May 31, 1983 Docket No. 38121S. Consumers Power Company v. Norfolk & Western Railway, et al.

January, 1984 Docket No. 36719. Arkansas Power & Light Company, et al. v. Burlington Northern Railroad Company and consolidated proceedings.

November 26, 1984 Docket No. 37857S. Consumers Power Company v. Norfolk and Western Railway Company, et al.

March 8, 1985 Docket No. 36719. Arkansas Power & Light Company, et al v. Burlington Northern Railroad Company and consolidated proceedings.

June, 1985 Docket No. 39668. Arkansas Power & Light et al. v. Burlington Northern Railroad Company.

November, 1985 Docket No. 39082. Arkansas Power & Light Company et al. v. Burlington Northern Railroad Company and Missouri Pacific Railroad Company.

January 9, 1986 Docket No. 36719. Arkansas Power & Light Company, et al. v. Burlington Northern Railroad Company and consolidated proceedings.

February, 1986 Docket No. 39082. Arkansas Power & Light Company, et al. v. Burlington Northern Railroad Company and Missouri Pacific Railroad Company.

June, 1986 Docket No. 36180. San Antonio, Texas, Acting By and Through Its City Public Service Board v. Burlington Northern Railroad Company and Southern Pacific Transportation Company.

November, 1986	Docket No. 37437. Arizona Electric Power Cooperative, Inc. v. The Atchison, Topeka and Santa Fe Railway Company, et al.
March, 1987	Docket No. 37437. Arizona Electric Power Cooperative, Inc. v. The Atchison, Topeka and Santa Fe Railway Company, et al.
May 15, 1987	Docket No. 38301S. Coal Trading Corporation et al. v. The Baltimore and Ohio Railroad Company et al.
August, 1987	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc., et al. v. Burlington Northern, Inc. and consolidated proceedings.
October, 1987	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
December, 1987	Docket No. 38301S (Sub-No. 1). Westmoreland Coal Sales Company v. The Denver & Rio Grande Western Railroad Company, et al.
December, 1987	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
January 14, 1988	Docket No. 38301S. Coal Trading Corporation et al. v. The Baltimore and Ohio Railroad Company et al.
May 12, 1988	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
June 20, 1988	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
July 5, 1988	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
April 26, 1989	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
June 21, 1989	Docket No. 37809, 37809 (Sub-No. 1). McCarty Farms, Inc. et al. v. Burlington Northern, Inc. and consolidated proceedings.
June 21, 1990	Docket No. 40224. Iowa Power and Light Company v. Burlington Northern Railroad Company.
July 30, 1990	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
October 10, 1990	Docket No. 37063, 38025S. The Dayton Power and Light Company v. Louisville and Nashville Railroad Company.
December 14, 1990	Docket No. 37063, 38025S. The Dayton Power and Light Company v. Louisville and Nashville Railroad Company.
January 25, 1991	Docket No. 37063, 38025S. The Dayton Power and Light Company v. Louisville and Nashville Railroad Company.

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July 15, 1991	Docket No. 37038. Bituminous Coal -- Hiawatha, Utah to Moapa, Nevada and consolidated proceedings.
January 14, 1992	Ex Parte No. 347 (Sub No. 2). Rate Guidelines -- Non-Coal Proceedings.
March 30, 1992	Finance Docket No. 22218. Atchison, Topeka & Santa Fe Railway Company -- Operating Rights -- Southern Pacific Transportation Company.
April 24, 1992	Finance Docket No. 31951. Southern California Regional Rail Authority For an Order Requiring Joint Use of Terminal Facilities of The Atchison, Topeka and Santa Fe Railway Company.
June 15, 1992	Docket No. 40581. Georgia Power Company, Southern Company Services, Inc., Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton v. Southern Railway Company and Norfolk Southern Corporation.
July 27, 1992	Docket No. 40581. Georgia Power Company, Southern Company Services, Inc., Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton v. Southern Railway Company and Norfolk Southern Corporation.
November 20, 1992	Docket No. 40581. Georgia Power Company, Southern Company Services, Inc., Oglethorpe Power Corporation, Municipal Electric Authority of Georgia, and City of Dalton v. Southern Railway Company and Norfolk Southern Corporation.
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May 9, 1994	Finance Docket No. 32467. National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation.
June 10, 1994	Finance Docket No. 21215 (Sub-No. 5). Seaboard Air Line Railroad Company -- Merger -- Atlantic Coast Line Railroad Company -- Petition to Remove Traffic Protective Conditions.
June 27, 1994	Docket No. 40131 (Sub-No. 1). Ashley Creek Phosphate Company v. Chevron Pipe Line Company, et al.; I.C.C. Docket No. 40810 Ashley Creek Phosphate Company v. SF Industries, et al.
October 11, 1994	Finance Docket No. 32549. Burlington Northern, Inc. And Burlington Northern Railroad Company -- Control and Merger -- Santa Fe Pacific Corporation and the Atchison, Topeka and Santa Fe Railway Company.
December 13, 1994	Finance Docket No. 32467 National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation.
January 30, 1995	Finance Docket No. 32433 (Sub-No. 1). Chicago and North Western Transportation Company -- Construction and Operation Exemption -- City of Superior, Wisconsin.

March 9, 1995 Finance Docket No. 32467. National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act for an Order Fixing Just Compensation.

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May 30, 1995 Docket No. 41191. West Texas Utilities Company v. Burlington Northern Railroad Company.

June 20, 1995 Docket No. 40131 (Sub-No. 1). Ashley Creek Phosphate Company v. Chevron Pipeline Company, et al.

July 28, 1995 Finance Docket No. 32467. National Railroad Passenger Corporation and Consolidated Rail Corporation -- Application Under Section 402(a) of the Rail Passenger Service Act For an Order Fixing Just Compensation.

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Surface Transportation Board

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May 23, 1996 Docket No. 41191. West Texas Utilities Company v. Burlington Northern Railroad Company -- Petition of Burlington Northern Railroad Company to Reopen Proceeding.

October 15, 1996 Docket No. 41242. Central Power & Light Company v. Southern Pacific Transportation Company; Docket No. 41295 Pennsylvania Power & Light Company v. Consolidated Rail Corporation; Docket No. 41626 MidAmerican Energy Company v. Union Pacific Railroad Company and Chicago & North Western Railway Company.

October 25, 1996 Docket No. 41242. Central Power & Light Company v. Southern Pacific Transportation Company; Docket No. 41295 Pennsylvania Power & Light Company v. Consolidated Rail Corporation; Docket No. 41626 MidAmerican Energy Company v. Union Pacific Railroad Company and Chicago & North Western Railway Company.

June 16, 1997 Finance docket No. 33388. CSX Crop. And CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company □ Control □ Conrail, Inc. and Consolidated Rail Corporation.

July 11, 1997 Docket No. 41989. Potomac Electric Power Company v. CSX Transportation, Inc. Reply Statement and Evidence of Defendant CSX Transportation, Inc.

November 10, 1997 Docket No. 41685. In the Matter of CF Industries, Inc. v. Koch Pipeline Company, L.P.

July, 1998	Finance Docket No. 33556. Canadian National Railway Company, Grand Trunk Corporation, and Grand Trunk Western Railroad Incorporated □ Control □ Illinois Central Corporation, Chicago, Central & Pacific Railroad Company, and Cedar River Railroad Company. Railroad Control Application.
March 31, 1999	Docket No. 42022. FMC Corporation and FMC Wyoming Corporation v. Union Pacific Railroad Company, Reply Verified Statement.
May 19, 1999	Docket No. 33726. Western Coal Traffic League v. Union Pacific Railroad Company.
August 14, 2000	Docket No. 42051. Wisconsin Power and Light Company v. Union Pacific Railroad Company, Reply Verified Statement.
March 13, 2001	Docket No. 42054. PPL Montana, LLC v. The Burlington Northern Santa Fe Railway Company, Reply Verified Statement of Christopher D. Kent and John C. Klick
May 24, 2002	Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Part II of Opening Evidence and Argument of Norfolk Southern Railway Company
May 24, 2002	Docket No. 42070, Duke Energy Corporation v. CSX Transportation, Inc., Part IV-B and Part IV-E of Opening Evidence and Argument of CSX Transportation, Inc.
June 10, 2002	Docket No. 42072, Carolina Power & Light Company v. Norfolk Southern Railway Company, Part II of Opening Evidence and Argument of Norfolk Southern Railway Company
September 20, 2002	Docket No. 42070, Duke Energy Corporation v. CSX Transportation, Inc., Parts III-G, III-H, and III-I of Reply Evidence and Argument of CSX Transportation, Inc.
September 30, 2002	Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Parts II-A, III-G, III-H, and III-I of Reply Evidence and Argument of Norfolk Southern Railway Company
October 11, 2002	Docket No. 42072, Carolina Power & Light Company v. Norfolk Southern Railway Company, Parts II-A, III-G, III-H, and III-I of Reply Evidence and Argument of Norfolk Southern Railway Company
November 12, 2002	Docket No. 42070, Duke Energy Corporation v. CSX Transportation, Inc., Part II-B of Rebuttal Evidence and Argument of CSX Transportation, Inc.
November 19, 2002	Docket No. 42069, Duke Energy Corporation v. Norfolk Southern Railway Company, Part II of Rebuttal Evidence and Argument of Norfolk Southern Railway Company
November 27, 2002	Docket No. 42072, Carolina Power & Light Company v. Norfolk Southern Railway Company, Part II-A and II-B of Rebuttal Evidence and Argument of Norfolk Southern Railway Company
January 10, 2003	Docket No. 42057, Public Service Company of Colorado D/B/A Xcel Energy v. The Burlington Northern and Santa Fe Railway Company, Part II-A of Opening Evidence and Argument of The Burlington Northern and Santa Fe Railway Company

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May 27, 2003 STB Docket No. 42058. Arizona Electric Power Cooperative, Inc. v. The Burlington Northern and Santa Fe Railway Company and Union Pacific Railroad, Reply Evidence of The Burlington Northern and Santa Fe Railway Company

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October 8, 2003 STB Docket No. 42071. Otter Tail Power Company v. The Burlington Northern and Santa Fe Railway Company, Reply Evidence of the Burlington Northern and Santa Fe Railway Company

District Court of Nebraska

September 17, 1992 Civil Action 4:CV91-3095 Burlington Northern Railway Company v. Omaha Public Power District In the District Court for the District of Nebraska

March 29, 1996 Civil Action 4:94cv3182 Burlington Northern Railway Company v. Nebraska Public Power District In the District Court for the District of Nebraska.

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102nd Judicial District Court, Bowie County, Texas

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February 16, 1988 Arbitration Proceedings, Phase III. Damages - Escanaba & Lake Superior Railroad Company v. Soo Line Railroad Company.

June 23, 1988 Arbitration Proceedings, Phase III -- Damages - Escanaba & Lake Superior Railroad Company v. Soo Line Railroad Company.

August 15, 1988 Arbitration Proceedings, Phase III -- Damages - Escanaba & Lake Superior Railroad Company v. Soo Line Railroad Company.

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February 21, 1992 In the Matter of the Arbitration Between Tuco, Inc. and Burlington Northern Railroad Company and Atchison, Topeka & Santa Fe Railroad Company.

March 24, 1992 In the Matter of the Arbitration Between Tuco, Inc., Burlington Northern Railroad Company and Atchison, Topeka & Santa Fe Railroad Company.

July 20, 1992	In the Matter of the Arbitration Between Wisconsin Power & Light Company and Burlington Northern Railroad Company, et. al.
September 4, 1992	In the Matter of the Arbitration Between Wisconsin Power & Light Company and Burlington Northern Railroad Company, et. al.
October 4, 1993	In the Matter of the Arbitration Between Public Service Company of Oklahoma and Burlington Northern Railroad Company.
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May 3, 1999	Elisra Electronics Systems, Ltd. V. Qualcomm, Inc., Before the American Arbitration Association No. 50 T 181 00005 98.
September 23, 1999	Statistical Analysis of Cap Gemini Report for Lee & Allen, Inc., submitted in UGI/Transco Mediation (London, England)
September, 1999 To Present	Party-appointed Arbitrator in MCI Worldcom, Inc. and AT&T Corp., v. Bell Atlantic Corporation, an arbitration conducted under the rules of the CPR Institute for Dispute Resolution.
October, 2000 To Present	Party-appointed Arbitrator in Competitive Local Exchange Carriers v. SBC Communications, Inc., an arbitration conducted under the rules of the CPR Institute for Dispute Resolution.

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	N/A	N/A	N/A	N/A
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$0	(\$496,607)	-100.0%	-237.5%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	(\$452,694)	\$1,226,444	-105.7%	-91.4%
Zone1	Owensboro KY	\$700,364	\$1,502,796	(\$32,123)	(\$156,116)	-104.6%	-110.4%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$0	(\$448,624)	-100.0%	-152.2%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	(\$280,747)	(\$617,655)	-151.0%	-140.5%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	N/A	N/A	N/A	N/A
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	(\$657,103)	(\$959,682)	-366.8%	-234.9%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	\$0	(\$5,548,373)	-100.0%	-412.0%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	(\$733,213)	(\$820,353)	-126.0%	-119.7%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	\$0	(\$966,366)	-100.0%	327.5%
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	(\$2,155,880)	(\$8,787,332)	-116.3%	-137.8%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	(\$182,624)	(\$240,961)	-179.5%	-167.5%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	(\$280,747)	(\$617,655)	-151.0%	-140.5%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$200,121)	(\$269,707)	313.2%	388.5%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	N/A	(\$751,448)	N/A	-375.6%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	N/A	(\$496,607)	N/A	-237.5%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$191,316)	(\$214,010)	101.9%	110.2%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	N/A	(\$100,450)	N/A	-245.6%
FRFTKYMA	\$366,952	\$619,986	N/A	(\$181,544)	N/A	-129.3%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	N/A	(\$608,880)	N/A	-218.4%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	(\$113,845)	(\$235,144)	-152.4%	-157.7%
HPVLKYMA	N/A	\$97,717	N/A	N/A	N/A	N/A
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	N/A	(\$426,101)	N/A	101.0%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	(\$54,774)	(\$44,711)	-106.3%	-104.5%
LSVLKYAN	\$745,038	\$965,782	(\$29,153)	(\$15,400)	-103.9%	-101.6%
LSVLKYAP	\$676,325	\$2,468,528	\$46,442	\$637,392	-93.1%	-74.2%
LSVLKYBE	\$832,437	\$1,444,042	(\$77,537)	\$89,790	-109.3%	-93.8%
LSVLKYBR	\$1,117,678	\$1,934,510	(\$45,042)	\$190,323	-104.0%	-90.2%
LSVLKYCW	\$320,646	\$384,332	\$89,100	\$84,941	-72.2%	-77.9%
LSVLKYFC	\$346,178	\$370,556	(\$186,014)	(\$205,222)	-153.7%	-155.4%
LSVLKYHA	\$261,070	\$270,020	\$54,908	\$38,674	-79.0%	-85.7%
LSVLKYJT	\$277,526	\$527,856	\$76,909	\$98,656	-72.3%	-81.3%
LSVLKYOA	\$699,514	\$1,227,047	(\$131,707)	(\$45,166)	-118.8%	-103.7%
LSVLKYSH	\$438,770	\$580,733	(\$135,867)	(\$127,568)	-131.0%	-122.0%
LSVLKYSL	\$584,275	\$939,122	(\$80,701)	(\$21,006)	-113.8%	-102.2%
LSVLKYSM	\$936,915	\$1,459,571	(\$34,520)	\$53,515	-103.7%	-96.3%
LSVLKYTS	\$502,939	\$837,346	(\$140,904)	(\$61,875)	-128.0%	-107.4%
LSVLKYVS	\$432,414	\$607,146	(\$246,174)	(\$246,497)	-156.9%	-140.6%
LSVLKYWE	\$1,305,674	\$2,601,513	\$99,361	\$525,984	-92.4%	-79.8%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	N/A	(\$401,854)	N/A	4.6%
MDVIKYMA	\$172,247	\$461,124	(\$151,821)	(\$240,821)	-188.1%	-152.2%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	(\$323,003)	N/A	-278.9%
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	(\$235,418)	N/A	451.7%
MYVLKYMA	N/A	(\$32,985)	N/A	N/A	N/A	N/A
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	N/A	N/A	N/A
OWBOKYMA	\$700,364	\$1,502,796	(\$32,123)	(\$156,116)	-104.6%	-110.4%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	(\$129,541)	N/A	-11.8%
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	(\$165,033)	N/A	549.2%
PDCHKYMA	\$358,050	\$859,958	N/A	(\$448,624)	N/A	-152.2%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	(\$113,370)	N/A	-40.8%
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	N/A	(\$694,639)	N/A	1046.6%
PKVLKYMA	(\$89,132)	\$172,724	N/A	(\$664,148)	N/A	-484.5%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	N/A	(\$401,742)	N/A	87.3%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	N/A	(\$759,308)	N/A	-249.3%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	(\$109,674)	(\$148,882)	-387.6%	-278.2%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ULTIMATE MARKET SHARE SET AT 5 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	(\$97,937)	(\$155,895)	-146.4%	-145.1%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	N/A	(\$558,258)	N/A	-213.4%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	(\$2,155,880)	(\$8,787,332)	-116.3%	-137.8%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 WITH STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	N/A	N/A	N/A	N/A
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$75,921	\$146,541	-60.2%	-59.4%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	\$4,096,902	\$8,674,286	-48.8%	-39.1%
Zone1	Owensboro KY	\$700,364	\$1,502,796	\$359,040	\$913,796	-48.7%	-39.2%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$226,929	\$543,912	-36.6%	-36.8%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	\$356,741	\$903,605	-35.2%	-40.8%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	\$0	(\$1,477,867)	N/A	-10.3%
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	\$40,689	\$311,633	-83.5%	-56.2%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	\$33,208	\$376,719	-94.8%	-78.8%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	\$1,179,405	\$2,038,448	-58.1%	-51.2%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	\$0	(\$343,302)	-100.0%	51.9%
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	\$6,368,834	\$12,087,771	-51.8%	-48.0%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	\$68,318	\$133,800	-70.3%	-62.5%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	\$356,741	\$903,605	-35.2%	-40.8%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$43,221)	(\$61,921)	-10.8%	12.2%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	(\$6,418)	\$2,289	-104.2%	-99.2%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	\$75,921	\$146,541	-60.2%	-59.4%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$75,899)	(\$86,682)	-19.9%	-14.9%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	(\$39,986)	(\$24,209)	-356.9%	-135.1%
FRFTKYMA	\$366,952	\$619,986	\$177,613	\$338,207	-51.6%	-45.4%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	\$139,655	\$211,986	-59.5%	-58.8%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	\$90,509	\$201,498	-58.3%	-50.5%
HPVLKYMA	N/A	\$97,717	N/A	\$28,976	N/A	-70.3%
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	(\$107,911)	(\$169,510)	-37.1%	-20.0%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	\$397,765	\$489,155	-54.0%	-51.2%
LSVLKYAN	\$745,038	\$965,782	\$375,780	\$523,749	-49.6%	-45.8%
LSVLKYAP	\$676,325	\$2,468,528	\$443,041	\$1,802,653	-34.5%	-27.0%
LSVLKYBE	\$832,437	\$1,444,042	\$413,686	\$863,196	-50.3%	-40.2%
LSVLKYBR	\$1,117,678	\$1,934,510	\$577,131	\$1,179,537	-48.4%	-39.0%
LSVLKYCW	\$320,646	\$384,332	\$129,444	\$168,757	-59.6%	-56.1%
LSVLKYFC	\$346,178	\$370,556	\$132,919	\$142,081	-61.6%	-61.7%
LSVLKYHA	\$261,070	\$270,020	\$97,658	\$98,304	-62.6%	-63.6%
LSVLKYJT	\$277,526	\$527,856	\$129,722	\$299,146	-53.3%	-43.3%
LSVLKYOA	\$699,514	\$1,227,047	\$355,548	\$724,374	-49.2%	-41.0%
LSVLKYSH	\$438,770	\$580,733	\$189,680	\$283,210	-56.8%	-51.2%
LSVLKYSL	\$584,275	\$939,122	\$288,187	\$538,517	-50.7%	-42.7%
LSVLKYSM	\$936,915	\$1,459,571	\$494,176	\$860,997	-47.3%	-41.0%
LSVLKYTS	\$502,939	\$837,346	\$239,006	\$480,505	-52.5%	-42.6%
LSVLKYVS	\$432,414	\$607,146	\$176,295	\$287,705	-59.2%	-52.6%
LSVLKYWE	\$1,305,674	\$2,601,513	\$678,450	\$1,652,767	-48.0%	-36.5%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	(\$182,231)	(\$264,566)	-42.5%	-31.1%
MDVIKYMA	\$172,247	\$461,124	\$69,300	\$258,738	-59.8%	-43.9%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	(\$34,844)	N/A	-119.3%
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	(\$138,044)	N/A	223.5%
MYVLKYMA	N/A	(\$32,985)	N/A	N/A	N/A	N/A
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	(\$1,506,842)	N/A	-13.6%
OWBOKYMA	\$700,364	\$1,502,796	\$359,040	\$913,796	-48.7%	-39.2%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	(\$47,692)	N/A	-67.5%
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	(\$78,590)	N/A	209.2%
PDCHKYMA	\$358,050	\$859,958	\$226,929	\$543,912	-36.6%	-36.8%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	(\$44,132)	N/A	-77.0%
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	(\$3,384)	(\$109,280)	-155.8%	80.4%
PKVLKYMA	(\$89,132)	\$172,724	(\$112,607)	\$26,554	26.3%	-84.6%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	(\$117,189)	(\$161,614)	-41.6%	-24.6%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	\$221,956	\$322,889	-20.9%	-36.5%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	\$2,406	\$25,090	-93.7%	-70.0%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH STRAIGHTLINE PENETRATION FOR RESIDENTIAL CUSTOMERS**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	\$87,096	\$159,189	-58.7%	-54.0%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLV LKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	\$63,710	\$203,974	-74.1%	-58.6%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	\$6,368,834	\$12,087,771	-51.8%	-48.0%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	\$0	(\$538,092)	N/A	1531.3%
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	(\$2,279,169)	(\$2,647,254)	-1293.9%	-833.2%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	\$5,352,613	\$21,764,405	-33.1%	52.9%
Zone1	Owensboro KY	\$700,364	\$1,502,796	(\$1,190,190)	\$571,721	-269.9%	-62.0%
Zone1	Paducah KY-IL	\$358,050	\$859,958	(\$531,099)	\$112,434	-248.3%	-86.9%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	(\$1,831,062)	(\$590,220)	-432.4%	-138.7%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	\$0	(\$9,752,925)	N/A	492.2%
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	(\$3,852,176)	(\$3,410,416)	-1664.3%	-579.3%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	\$0	(\$11,357,018)	-100.0%	-738.7%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	(\$4,166,817)	(\$2,236,299)	-247.9%	-153.6%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	N/A	N/A	N/A	N/A
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	(\$8,497,900)	(\$8,083,664)	-164.4%	-134.8%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	(\$657,085)	(\$533,616)	-385.9%	-249.5%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	(\$1,831,062)	(\$590,220)	-432.4%	-138.7%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$737,631)	(\$900,767)	1422.9%	1531.5%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	N/A	(\$1,593,030)	N/A	-684.2%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	(\$2,279,169)	(\$2,647,254)	-1293.9%	-833.2%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$599,384)	(\$652,017)	532.6%	540.5%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	N/A	(\$494,485)	N/A	-816.8%
FRFTKYMA	\$366,952	\$619,986	N/A	(\$372,099)	N/A	-160.0%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	N/A	(\$941,849)	N/A	-283.2%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	(\$1,474,875)	(\$1,379,018)	-779.1%	-438.5%
HPVLKYMA	N/A	\$97,717	N/A	(\$532,690)	N/A	-645.1%
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	N/A	(\$977,875)	N/A	361.3%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	\$656,233	\$876,601	-24.1%	-12.5%
LSVLKYAN	\$745,038	\$965,782	\$703,566	\$1,052,614	-5.6%	9.0%
LSVLKYAP	\$676,325	\$2,468,528	\$1,027,586	\$6,385,136	51.9%	158.7%
LSVLKYBE	\$832,437	\$1,444,042	(\$109,863)	\$1,510,390	-113.2%	4.6%
LSVLKYBR	\$1,117,678	\$1,934,510	\$637,741	\$2,824,673	-42.9%	46.0%
LSVLKYCW	\$320,646	\$384,332	(\$197,382)	(\$120,945)	-161.6%	-131.5%
LSVLKYFC	\$346,178	\$370,556	(\$573,246)	(\$646,249)	-265.6%	-274.4%
LSVLKYHA	\$261,070	\$270,020	(\$146,094)	(\$204,029)	-156.0%	-175.6%
LSVLKYJT	\$277,526	\$527,856	(\$270,205)	\$191,272	-197.4%	-63.8%
LSVLKYOA	\$699,514	\$1,227,047	(\$566,395)	\$460,761	-181.0%	-62.4%
LSVLKYSH	\$438,770	\$580,733	(\$188,276)	\$36,783	-142.9%	-93.7%
LSVLKYSL	\$584,275	\$939,122	\$356,260	\$1,121,037	-39.0%	19.4%
LSVLKYSM	\$936,915	\$1,459,571	\$621,443	\$1,694,975	-33.7%	16.1%
LSVLKYTS	\$502,939	\$837,346	\$110,787	\$959,103	-78.0%	14.5%
LSVLKYVS	\$432,414	\$607,146	(\$1,039,398)	(\$837,118)	-340.4%	-237.9%
LSVLKYWE	\$1,305,674	\$2,601,513	\$1,537,137	\$5,303,094	17.7%	103.8%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	N/A	(\$1,468,089)	N/A	282.1%
MDVIKYMA	\$172,247	\$461,124	(\$1,040,286)	(\$478,615)	-704.0%	-203.8%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	N/A	N/A	N/A
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	N/A	N/A	N/A
MYVLKYMA	N/A	(\$32,985)	N/A	(\$538,092)	N/A	1531.3%
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	(\$9,220,235)	N/A	428.5%
OWBOKYMA	\$700,364	\$1,502,796	(\$1,190,190)	\$571,721	-269.9%	-62.0%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	N/A	N/A	N/A
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	N/A	N/A	N/A
PDCHKYMA	\$358,050	\$859,958	(\$531,099)	\$112,434	-248.3%	-86.9%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	N/A	N/A	N/A
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	N/A	(\$1,533,686)	N/A	2431.6%
PKVLKYMA	(\$89,132)	\$172,724	N/A	(\$697,952)	N/A	-504.1%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	N/A	(\$1,642,797)	N/A	666.0%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	N/A	(\$1,122,863)	N/A	-320.8%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	(\$392,300)	(\$344,682)	-1128.9%	-512.6%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR REDUCTION IN RETAIL PRICES BY 15 PERCENT FOR YEAR 1**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	(\$324,712)	(\$201,693)	-253.8%	-158.3%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLV LKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	N/A	(\$512,292)	N/A	-204.1%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	(\$8,497,900)	(\$8,083,664)	-164.4%	-134.8%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 WITH ANNUAL PRICE DECREASE OF 1 PERCENT**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	\$0	(\$41,358)	N/A	25.4%
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$81,849	\$184,327	-57.1%	-48.9%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	\$4,819,738	\$9,252,942	-39.8%	-35.0%
Zone1	Owensboro KY	\$700,364	\$1,502,796	\$362,906	\$927,000	-48.2%	-38.3%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$181,104	\$508,495	-49.4%	-40.9%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	\$165,171	\$831,530	-70.0%	-45.5%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	\$0	(\$1,504,755)	N/A	-8.6%
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	(\$49,893)	\$244,839	-120.3%	-65.6%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	(\$435,688)	\$130,013	-168.5%	-92.7%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	\$1,335,673	\$2,200,125	-52.6%	-47.3%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	\$0	(\$445,084)	-100.0%	96.9%
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	\$6,460,861	\$12,288,074	-51.1%	-47.1%

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	\$90,736	\$168,388	-60.5%	-52.8%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	\$165,171	\$831,530	-70.0%	-45.5%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$68,439)	(\$81,498)	41.3%	47.6%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	\$3,480	\$57,682	-97.7%	-78.8%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	\$81,849	\$184,327	-57.1%	-48.9%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$88,304)	(\$95,352)	-6.8%	-6.3%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	(\$43,308)	(\$15,956)	-378.2%	-123.1%
FRFTKYMA	\$366,952	\$619,986	\$177,761	\$339,509	-51.6%	-45.2%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	\$179,924	\$280,646	-47.8%	-45.4%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	\$56,015	\$171,696	-74.2%	-57.9%
HPVLKYMA	N/A	\$97,717	N/A	\$26,999	N/A	-72.4%
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	(\$167,868)	(\$215,665)	-2.1%	1.7%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	\$525,507	\$614,897	-39.2%	-38.6%
LSVLKYAN	\$745,038	\$965,782	\$460,839	\$603,783	-38.1%	-37.5%
LSVLKYAP	\$676,325	\$2,468,528	\$440,812	\$1,755,029	-34.8%	-28.9%
LSVLKYBE	\$832,437	\$1,444,042	\$461,022	\$896,829	-44.6%	-37.9%
LSVLKYBR	\$1,117,678	\$1,934,510	\$666,779	\$1,250,293	-40.3%	-35.4%
LSVLKYCW	\$320,646	\$384,332	\$168,518	\$208,190	-47.4%	-45.8%
LSVLKYFC	\$346,178	\$370,556	\$160,649	\$169,570	-53.6%	-54.2%
LSVLKYHA	\$261,070	\$270,020	\$138,196	\$139,549	-47.1%	-48.3%
LSVLKYJT	\$277,526	\$527,856	\$139,652	\$305,472	-49.7%	-42.1%
LSVLKYOA	\$699,514	\$1,227,047	\$358,948	\$711,850	-48.7%	-42.0%
LSVLKYSH	\$438,770	\$580,733	\$235,533	\$327,465	-46.3%	-43.6%
LSVLKYSL	\$584,275	\$939,122	\$349,784	\$591,963	-40.1%	-37.0%
LSVLKYSM	\$936,915	\$1,459,571	\$563,830	\$917,327	-39.8%	-37.2%
LSVLKYTS	\$502,939	\$837,346	\$289,707	\$525,733	-42.4%	-37.2%
LSVLKYVS	\$432,414	\$607,146	\$181,100	\$289,514	-58.1%	-52.3%
LSVLKYWE	\$1,305,674	\$2,601,513	\$825,925	\$1,769,622	-36.7%	-32.0%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	(\$330,952)	(\$406,703)	4.4%	5.8%
MDVIKYMA	\$172,247	\$461,124	\$50,835	\$249,992	-70.5%	-45.8%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	(\$38,030)	N/A	-121.1%
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	(\$123,040)	N/A	188.4%
MYVLKYMA	N/A	(\$32,985)	N/A	(\$41,358)	N/A	25.4%
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	(\$1,531,754)	N/A	-12.2%
OWBOKYMA	\$700,364	\$1,502,796	\$362,906	\$927,000	-48.2%	-38.3%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	(\$132,681)	N/A	-9.7%
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	(\$106,980)	N/A	320.9%
PDCHKYMA	\$358,050	\$859,958	\$181,104	\$508,495	-49.4%	-40.9%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	(\$44,353)	N/A	-76.8%
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	(\$8,529)	(\$107,197)	-240.5%	76.9%
PKVLKYMA	(\$89,132)	\$172,724	(\$157,903)	\$23,990	77.2%	-86.1%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	(\$227,487)	(\$263,250)	13.4%	22.8%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	\$62,037	\$197,527	-77.9%	-61.2%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	(\$1,778)	\$26,080	-104.7%	-68.8%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 WITH ANNUAL PRICE DECREASE OF 1 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	\$99,652	\$181,513	-52.8%	-47.5%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLV LKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	\$77,157	\$239,430	-68.6%	-51.4%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	\$6,460,861	\$12,288,074	-51.1%	-47.1%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5% AND STLINE PENETRATION FOR RES**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	N/A	N/A	N/A	N/A
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$0	(\$500,212)	-100.0%	-238.5%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	(\$356,197)	\$339,583	-104.5%	-97.6%
Zone1	Owensboro KY	\$700,364	\$1,502,796	(\$272,393)	(\$552,134)	-138.9%	-136.7%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$0	(\$468,200)	-100.0%	-154.4%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	(\$501,453)	(\$1,049,021)	-191.0%	-168.7%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	N/A	N/A	N/A	N/A
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	(\$744,473)	(\$1,234,230)	-402.3%	-273.5%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	\$0	(\$5,386,691)	-100.0%	-402.9%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	(\$727,711)	(\$1,394,273)	-125.8%	-133.4%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	N/A	N/A	N/A	N/A
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	(\$2,602,227)	(\$10,245,178)	-119.7%	-144.1%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5% AND STLINE PENETRATION FOR RE**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	(\$201,862)	(\$314,582)	-187.8%	-188.2%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	(\$501,453)	(\$1,049,021)	-191.0%	-168.7%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$186,061)	(\$282,184)	284.1%	411.1%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	N/A	(\$776,706)	N/A	-384.8%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	N/A	(\$500,212)	N/A	-238.5%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$165,949)	(\$197,169)	75.1%	93.7%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5% AND STLINE PENETRATION FOR RE**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	N/A	(\$232,952)	N/A	-437.7%
FRFTKYMA	\$366,952	\$619,986	N/A	(\$210,361)	N/A	-133.9%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	N/A	(\$546,930)	N/A	-206.4%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	(\$215,404)	(\$433,220)	-199.2%	-206.3%
HPVLKYMA	N/A	\$97,717	N/A	N/A	N/A	N/A
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	N/A	(\$374,627)	N/A	76.7%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	\$45,993	(\$23,467)	-94.7%	-102.3%
LSVLKYAN	\$745,038	\$965,782	\$77,384	(\$22,760)	-89.6%	-102.4%
LSVLKYAP	\$676,325	\$2,468,528	\$178,714	\$805,014	-73.6%	-67.4%
LSVLKYBE	\$832,437	\$1,444,042	\$32,381	\$103,233	-96.1%	-92.9%
LSVLKYBR	\$1,117,678	\$1,934,510	(\$461,740)	(\$367,152)	-141.3%	-119.0%
LSVLKYCW	\$320,646	\$384,332	(\$48,993)	(\$87,200)	-115.3%	-122.7%
LSVLKYFC	\$346,178	\$370,556	(\$76,834)	(\$134,153)	-122.2%	-136.2%
LSVLKYHA	\$261,070	\$270,020	(\$70,712)	(\$110,649)	-127.1%	-141.0%
LSVLKYJT	\$277,526	\$527,856	(\$22,515)	(\$99,354)	-108.1%	-118.8%
LSVLKYOA	\$699,514	\$1,227,047	\$1,603	(\$73,921)	-99.8%	-106.0%
LSVLKYSH	\$438,770	\$580,733	(\$34,565)	(\$108,084)	-107.9%	-118.6%
LSVLKYSL	\$584,275	\$939,122	\$44,043	(\$20,172)	-92.5%	-102.1%
LSVLKYSM	\$936,915	\$1,459,571	\$98,429	(\$21,801)	-89.5%	-101.5%
LSVLKYTS	\$502,939	\$837,346	\$17,663	\$13,195	-96.5%	-98.4%
LSVLKYVS	\$432,414	\$607,146	(\$69,584)	(\$141,955)	-116.1%	-123.4%
LSVLKYWE	\$1,305,674	\$2,601,513	(\$354,497)	(\$18,423)	-127.2%	-100.7%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5% AND STLINE PENETRATION FOR RE**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	N/A	(\$487,926)	N/A	27.0%
MDVIKYMA	\$172,247	\$461,124	(\$177,058)	(\$321,656)	-202.8%	-169.8%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	N/A	N/A	N/A
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	N/A	N/A	N/A
MYVLKYMA	N/A	(\$32,985)	N/A	N/A	N/A	N/A
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	N/A	N/A	N/A
OWBOKYMA	\$700,364	\$1,502,796	(\$272,393)	(\$552,134)	-138.9%	-136.7%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	N/A	N/A	N/A
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	N/A	N/A	N/A
PDCHKYMA	\$358,050	\$859,958	N/A	(\$468,200)	N/A	-154.4%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	N/A	N/A	N/A
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	N/A	(\$636,261)	N/A	950.3%
PKVLKYMA	(\$89,132)	\$172,724	N/A	(\$492,570)	N/A	-385.2%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	N/A	(\$449,085)	N/A	109.4%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	N/A	(\$694,852)	N/A	-236.6%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	(\$110,046)	(\$170,036)	-388.6%	-303.5%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR ANNUAL PRICE DECREASE, MKT SHARE OF 5% AND STLINE PENETRATION FOR RES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	(\$128,767)	(\$262,423)	-161.0%	-175.9%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	N/A	(\$484,420)	N/A	-198.4%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	(\$2,602,227)	(\$10,245,178)	-119.7%	-144.1%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR 10 PERCENT PRICE DECREASE TO ALL PRODUCTS AND BUNDLES**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	\$0	(\$39,375)	N/A	19.4%
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$42,893	\$115,217	-77.5%	-68.1%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	\$3,278,803	\$6,956,474	-59.0%	-51.1%
Zone1	Owensboro KY	\$700,364	\$1,502,796	\$183,880	\$637,109	-73.7%	-57.6%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$106,674	\$363,163	-70.2%	-57.8%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	\$139,386	\$591,930	-74.7%	-61.2%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	\$0	(\$1,283,593)	N/A	-22.1%
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	(\$168,682)	\$59,542	-168.5%	-91.6%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	(\$574,580)	(\$215,103)	-190.4%	-112.1%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	\$721,638	\$1,426,508	-74.4%	-65.8%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	\$0	(\$391,487)	-100.0%	73.2%
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	\$3,730,013	\$8,220,385	-71.8%	-64.6%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10 PERCENT PRICE DECREASE TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	\$42,187	\$105,037	-81.6%	-70.6%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	\$139,386	\$591,930	-74.7%	-61.2%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$66,695)	(\$79,385)	37.7%	43.8%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	(\$39,165)	(\$9,127)	-125.4%	-103.3%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	\$42,893	\$115,217	-77.5%	-68.1%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$76,465)	(\$82,615)	-19.3%	-18.8%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10 PERCENT PRICE DECREASE TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	(\$55,133)	(\$33,089)	-454.2%	-148.0%
FRFTKYMA	\$366,952	\$619,986	\$105,206	\$237,830	-71.3%	-61.6%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	\$109,969	\$180,162	-68.1%	-65.0%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	(\$18,923)	\$69,178	-108.7%	-83.0%
HPVLKYMA	N/A	\$97,717	N/A	\$11,422	N/A	-88.3%
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	(\$147,406)	(\$191,857)	-14.1%	-9.5%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	\$363,911	\$436,380	-57.9%	-56.5%
LSVLKYAN	\$745,038	\$965,782	\$310,888	\$426,694	-58.3%	-55.8%
LSVLKYAP	\$676,325	\$2,468,528	\$315,180	\$1,412,846	-53.4%	-42.8%
LSVLKYBE	\$832,437	\$1,444,042	\$304,959	\$666,714	-63.4%	-53.8%
LSVLKYBR	\$1,117,678	\$1,934,510	\$452,756	\$937,013	-59.5%	-51.6%
LSVLKYCW	\$320,646	\$384,332	\$96,646	\$128,722	-69.9%	-66.5%
LSVLKYFC	\$346,178	\$370,556	\$84,629	\$90,536	-75.6%	-75.6%
LSVLKYHA	\$261,070	\$270,020	\$77,743	\$77,986	-70.2%	-71.1%
LSVLKYJT	\$277,526	\$527,856	\$79,165	\$215,415	-71.5%	-59.2%
LSVLKYOA	\$699,514	\$1,227,047	\$215,388	\$505,480	-69.2%	-58.8%
LSVLKYSH	\$438,770	\$580,733	\$151,455	\$226,212	-65.5%	-61.0%
LSVLKYSL	\$584,275	\$939,122	\$233,925	\$432,944	-60.0%	-53.9%
LSVLKYSM	\$936,915	\$1,459,571	\$381,984	\$671,562	-59.2%	-54.0%
LSVLKYTS	\$502,939	\$837,346	\$192,297	\$387,737	-61.8%	-53.7%
LSVLKYVS	\$432,414	\$607,146	\$89,111	\$177,008	-79.4%	-70.8%
LSVLKYWE	\$1,305,674	\$2,601,513	\$571,448	\$1,358,371	-56.2%	-47.8%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10 PERCENT PRICE DECREASE TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	(\$295,109)	(\$365,260)	-6.9%	-4.9%
MDVIKYMA	\$172,247	\$461,124	(\$6,599)	\$152,364	-103.8%	-67.0%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	(\$39,083)	N/A	-121.6%
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	(\$108,388)	N/A	154.0%
MYVLKYMA	N/A	(\$32,985)	N/A	(\$39,375)	N/A	19.4%
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	(\$1,295,015)	N/A	-25.8%
OWBOKYMA	\$700,364	\$1,502,796	\$183,880	\$637,109	-73.7%	-57.6%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	(\$112,362)	N/A	-23.5%
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	(\$93,011)	N/A	265.9%
PDCHKYMA	\$358,050	\$859,958	\$106,674	\$363,163	-70.2%	-57.8%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	(\$38,644)	N/A	-79.8%
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	(\$12,742)	(\$108,540)	-310.0%	79.2%
PKVLKYMA	(\$89,132)	\$172,724	(\$158,353)	(\$14,957)	77.7%	-108.7%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	(\$209,656)	(\$247,165)	4.5%	15.3%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	\$146,400	\$233,756	-47.8%	-54.0%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	(\$16,835)	\$6,241	-144.2%	-92.5%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR 10 PERCENT PRICE DECREASE TO ALL PRODUCTS AND BUNDLES**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	\$53,604	\$120,085	-74.6%	-65.3%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLVLYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	(\$18,590)	\$103,144	-107.6%	-79.0%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	\$3,730,013	\$8,220,385	-71.8%	-64.6%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	\$0	(\$352,594)	N/A	969.0%
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$0	(\$547,373)	-100.0%	-251.6%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	\$0	\$10,660,408	-100.0%	-25.1%
Zone1	Owensboro KY	\$700,364	\$1,502,796	\$0	\$834,458	-100.0%	-44.5%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$0	(\$533,897)	-100.0%	-162.1%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	\$0	\$279,251	-100.0%	-81.7%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	\$0	(\$6,550,155)	N/A	297.7%
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	\$0	(\$870,214)	-100.0%	-222.3%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	\$0	(\$6,913,400)	-100.0%	-488.8%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	\$0	(\$824,653)	-100.0%	-119.8%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	\$0	(\$2,539,199)	-100.0%	1023.3%
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	\$0	(\$7,357,370)	-100.0%	-131.7%

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	N/A	(\$281,929)	N/A	-179.0%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	N/A	\$279,251	N/A	-81.7%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	N/A	(\$423,955)	N/A	667.9%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	N/A	(\$999,043)	N/A	-466.4%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	N/A	(\$547,373)	N/A	-251.6%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	N/A	(\$346,843)	N/A	240.7%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	N/A	(\$320,083)	N/A	-564.0%
FRFTKYMA	\$366,952	\$619,986	N/A	(\$213,691)	N/A	-134.5%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	N/A	(\$551,038)	N/A	-207.2%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	N/A	(\$185,857)	N/A	-145.6%
HPVLKYMA	N/A	\$97,717	N/A	(\$439,762)	N/A	-550.0%
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	N/A	(\$670,351)	N/A	216.2%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	N/A	(\$85,008)	N/A	-108.5%
LSVLKYAN	\$745,038	\$965,782	N/A	\$72,821	N/A	-92.5%
LSVLKYAP	\$676,325	\$2,468,528	N/A	\$4,018,448	N/A	62.8%
LSVLKYBE	\$832,437	\$1,444,042	N/A	\$1,046,046	N/A	-27.6%
LSVLKYBR	\$1,117,678	\$1,934,510	N/A	\$1,453,892	N/A	-24.8%
LSVLKYCW	\$320,646	\$384,332	N/A	(\$201,090)	N/A	-152.3%
LSVLKYFC	\$346,178	\$370,556	N/A	(\$328,478)	N/A	-188.6%
LSVLKYHA	\$261,070	\$270,020	N/A	(\$332,014)	N/A	-223.0%
LSVLKYJT	\$277,526	\$527,856	N/A	\$199,860	N/A	-62.1%
LSVLKYOA	\$699,514	\$1,227,047	N/A	\$632,203	N/A	-48.5%
LSVLKYSH	\$438,770	\$580,733	N/A	(\$65,318)	N/A	-111.2%
LSVLKYSL	\$584,275	\$939,122	N/A	\$423,605	N/A	-54.9%
LSVLKYSM	\$936,915	\$1,459,571	N/A	\$626,404	N/A	-57.1%
LSVLKYTS	\$502,939	\$837,346	N/A	\$455,649	N/A	-45.6%
LSVLKYVS	\$432,414	\$607,146	N/A	(\$37,725)	N/A	-106.2%
LSVLKYWE	\$1,305,674	\$2,601,513	N/A	\$2,713,869	N/A	4.3%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	N/A	(\$973,730)	N/A	153.4%
MDVIKYMA	\$172,247	\$461,124	N/A	\$86,440	N/A	-81.3%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	N/A	(\$503,131)	N/A	-378.7%
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	N/A	(\$702,092)	N/A	1545.4%
MYVLKYMA	N/A	(\$32,985)	N/A	(\$352,594)	N/A	969.0%
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	(\$6,110,394)	N/A	250.3%
OWBOKYMA	\$700,364	\$1,502,796	N/A	\$834,458	N/A	-44.5%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	N/A	(\$544,244)	N/A	270.4%
PDCHKYLO	(\$34,035)	(\$25,420)	N/A	(\$554,341)	N/A	2080.7%
PDCHKYMA	\$358,050	\$859,958	N/A	(\$533,897)	N/A	-162.1%
PDCHKYRL	(\$165,520)	(\$191,589)	N/A	(\$235,391)	N/A	22.9%
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	N/A	(\$946,497)	N/A	1462.4%
PKVLKYMA	(\$89,132)	\$172,724	N/A	(\$275,531)	N/A	-259.5%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	N/A	(\$1,062,939)	N/A	395.6%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	N/A	(\$661,225)	N/A	-230.0%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	N/A	(\$232,551)	N/A	-378.4%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR INCLUDING SUBSCRIPTION IN BUNDLE DISCOUNT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	N/A	(\$242,931)	N/A	-170.2%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLV LKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	N/A	(\$239,272)	N/A	-148.6%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	\$0	(\$7,357,370)	-100.0%	-131.7%

**COMPARISON OF BELL SOUTH CEA NPV TO AT&T CEA NPV
 FOR CHURN INCREASE OF 25 PERCENT**

UNEZone	CEA	BellSouth Opening		AT&T Rebuttal		Percent Change	
		Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
Zone1	Cincinnati OH-KY-IN	\$0	(\$32,985)	\$0	(\$34,457)	N/A	4.5%
Zone1	Lexington KY-TN-VA-WV	\$190,904	\$361,068	\$131,549	\$282,459	-31.1%	-21.8%
Zone1	Louisville KY-IN	\$8,004,412	\$14,233,287	\$6,438,717	\$12,123,025	-19.6%	-14.8%
Zone1	Owensboro KY	\$700,364	\$1,502,796	\$500,691	\$1,229,496	-28.5%	-18.2%
Zone1	Paducah KY-IL	\$358,050	\$859,958	\$247,427	\$697,692	-30.9%	-18.9%
Zone2	Bowling Green KY	\$550,943	\$1,526,460	\$316,869	\$1,202,603	-42.5%	-21.2%
Zone2	Clarksville-Hopkinsville TN-KY	\$0	(\$1,646,808)	\$0	(\$1,578,175)	N/A	-4.2%
Zone2	Evansville-Henderson IN-KY-IL	\$246,250	\$711,560	\$53,797	\$468,551	-78.2%	-34.2%
Zone2	Lexington KY-TN-VA-WV	\$635,640	\$1,778,155	\$28,412	\$1,023,235	-95.5%	-42.5%
Zone2	Louisville KY-IN	\$2,816,387	\$4,173,220	\$2,038,040	\$3,248,333	-27.6%	-22.2%
Zone2	Paducah KY-IL	(\$297,622)	(\$226,045)	(\$459,325)	(\$410,830)	54.3%	81.7%
Zone3	Bowling Green KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Clarksville-Hopkinsville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Evansville-Henderson IN-KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Lexington KY-TN-VA-WV	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Louisville KY-IN	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Memphis TN-AR-MS-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Nashville TN-KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Owensboro KY	N/A	N/A	N/A	N/A	N/A	N/A
Zone3	Paducah KY-IL	N/A	N/A	N/A	N/A	N/A	N/A
Total		\$13,205,328	\$23,240,666	\$9,296,178	\$18,251,932	-29.6%	-21.5%

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
AURRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BDFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BGDDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BLSPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRGNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BRTWKYES	\$229,829	\$356,864	\$149,483	\$262,395	-35.0%	-26.5%
BVDMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
BWLGKYMA	\$550,943	\$1,526,460	\$316,869	\$1,202,603	-42.5%	-21.2%
BWLGKYRV	N/A	N/A	N/A	N/A	N/A	N/A
BYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CADZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CHPLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLAYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLPTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CLTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
CMBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNCYKYMA	(\$48,435)	(\$55,211)	(\$65,919)	(\$74,396)	36.1%	34.7%
CNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CNTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
COTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRBNKYMA	\$154,349	\$272,679	\$64,187	\$165,776	-58.4%	-39.2%
CRBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRLSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CRTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
CYNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DAVLKYMA	\$190,904	\$361,068	\$131,549	\$282,459	-31.1%	-21.8%
DIXNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
DRBOKYES	N/A	N/A	N/A	N/A	N/A	N/A
DWSPKYES	N/A	N/A	N/A	N/A	N/A	N/A
EDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
EKTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ELCYKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYES	N/A	N/A	N/A	N/A	N/A	N/A
EMNNKYPL	N/A	N/A	N/A	N/A	N/A	N/A
ENSRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ERTNKYMA	(\$94,753)	(\$101,803)	(\$95,813)	(\$102,724)	1.1%	0.9%
FDCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
FDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FKLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FNVLYKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
FORDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
FRFTKYES	\$15,567	\$68,982	(\$18,344)	\$28,367	-217.8%	-58.9%
FRFTKYMA	\$366,952	\$619,986	\$263,964	\$491,149	-28.1%	-20.8%
GBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GHNTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GNVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRACKYMA	N/A	N/A	N/A	N/A	N/A	N/A
GRTWKYMA	\$344,609	\$514,169	\$259,615	\$410,600	-24.7%	-20.1%
GTHRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HABTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HANSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HBVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HCMNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HDBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HNSNKYMA	\$217,191	\$407,450	\$117,078	\$284,410	-46.1%	-30.2%
HPVLKYMA	N/A	\$97,717	N/A	\$77,932	N/A	-20.2%
HRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
HRFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HRLNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
HWVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
INEZKYMA	N/A	N/A	N/A	N/A	N/A	N/A
ISLDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JCSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
JNCYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
KKVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LBJTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LFYTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LGRNKYES	N/A	N/A	N/A	N/A	N/A	N/A
LOUSKYES	(\$171,553)	(\$211,998)	(\$176,639)	(\$217,364)	3.0%	2.5%
LRBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
LSVLKY26	\$864,362	\$1,002,140	\$695,147	\$817,550	-19.6%	-18.4%
LSVLKYAN	\$745,038	\$965,782	\$612,344	\$808,539	-17.8%	-16.3%
LSVLKYAP	\$676,325	\$2,468,528	\$572,496	\$2,222,264	-15.4%	-10.0%
LSVLKYBE	\$832,437	\$1,444,042	\$630,228	\$1,188,051	-24.3%	-17.7%
LSVLKYBR	\$1,117,678	\$1,934,510	\$894,445	\$1,641,023	-20.0%	-15.2%
LSVLKYCW	\$320,646	\$384,332	\$245,855	\$302,425	-23.3%	-21.3%
LSVLKYFC	\$346,178	\$370,556	\$248,346	\$267,973	-28.3%	-27.7%
LSVLKYHA	\$261,070	\$270,020	\$202,291	\$208,959	-22.5%	-22.6%
LSVLKYJT	\$277,526	\$527,856	\$207,929	\$433,307	-25.1%	-17.9%
LSVLKYOA	\$699,514	\$1,227,047	\$521,380	\$996,325	-25.5%	-18.8%
LSVLKYSH	\$438,770	\$580,733	\$329,694	\$455,555	-24.9%	-21.6%
LSVLKYSL	\$584,275	\$939,122	\$470,577	\$790,518	-19.5%	-15.8%
LSVLKYSM	\$936,915	\$1,459,571	\$755,141	\$1,225,432	-19.4%	-16.0%
LSVLKYTS	\$502,939	\$837,346	\$396,809	\$701,396	-21.1%	-16.2%
LSVLKYVS	\$432,414	\$607,146	\$292,989	\$446,390	-32.2%	-26.5%
LSVLKYWE	\$1,305,674	\$2,601,513	\$1,081,836	\$2,272,696	-17.1%	-12.6%
LVMRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MACEKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELL SOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
MARNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MARTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCDNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MCWLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MDBOKYMA	(\$316,881)	(\$384,233)	(\$334,843)	(\$402,703)	5.7%	4.8%
MDVIKYMA	\$172,247	\$461,124	\$98,451	\$361,260	-42.8%	-21.7%
MGFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MGTWKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MLTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRGPKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MRRYKYMA	\$39,345	\$180,556	(\$13,221)	\$112,349	-133.6%	-37.8%
MTEDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MTSTKYMA	N/A	N/A	N/A	N/A	N/A	N/A
MYFDKYMA	(\$35,316)	(\$42,669)	(\$72,651)	(\$85,588)	105.7%	100.6%
MYVLKYMA	N/A	(\$32,985)	N/A	(\$34,457)	N/A	4.5%
NEBOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NEONKYES	N/A	N/A	N/A	N/A	N/A	N/A
NRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
NWHNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
OKGVKYES	N/A	(\$1,744,525)	N/A	(\$1,656,107)	N/A	-5.1%
OWBOKYMA	\$700,364	\$1,502,796	\$500,691	\$1,229,496	-28.5%	-18.2%
OWTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PARSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PDCHKYIP	(\$102,097)	(\$146,923)	(\$100,783)	(\$143,808)	-1.3%	-2.1%
PDCHKYLO	(\$34,035)	(\$25,420)	(\$83,375)	(\$78,211)	145.0%	207.7%
PDCHKYMA	\$358,050	\$859,958	\$247,427	\$697,692	-30.9%	-18.9%
PDCHKYRL	(\$165,520)	(\$191,589)	(\$189,295)	(\$215,571)	14.4%	12.5%
PIVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PKVLKYGV	\$6,069	(\$60,581)	\$888	(\$70,796)	-85.4%	16.9%
PKVLKYMA	(\$89,132)	\$172,724	(\$139,232)	\$102,700	56.2%	-40.5%
PKVLKYMT	N/A	N/A	N/A	N/A	N/A	N/A
PLRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PMBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNTHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PNVLKYMA	(\$200,650)	(\$214,458)	(\$222,718)	(\$241,521)	11.0%	12.6%
PRBGKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRTNKYES	N/A	N/A	N/A	N/A	N/A	N/A
PRVDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PRVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
PTRYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RBRDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RCMDKYMA	\$280,438	\$508,639	\$170,597	\$373,598	-39.2%	-26.5%
RLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
RSTRKYES	\$38,129	\$83,542	\$17,806	\$58,823	-53.3%	-29.6%
SCRMKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SDVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SEBRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SHGVKYMA	N/A	N/A	N/A	N/A	N/A	N/A

**COMPARISON OF BELLSOUTH WIRE CENTER NPV TO AT&T WIRE CENTER NPV
 FOR CHURN INCREASE OF 25 PERCENT**

Wire Center	BellSouth Opening		AT&T Rebuttal		Percent Change	
	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV	Mass Market NPV	Total NPV
SHVLKYMA	\$211,082	\$345,857	\$151,960	\$271,735	-28.0%	-21.4%
SLGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLPHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SLVSKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SNTNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SPFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SRGHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SSVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STCHKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STFRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STGRKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STNLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STONKYMA	N/A	N/A	N/A	N/A	N/A	N/A
STRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
SWSNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TRE NKYMA	N/A	N/A	N/A	N/A	N/A	N/A
TYVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
UTICKYMA	N/A	N/A	N/A	N/A	N/A	N/A
VIRGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WACOKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WDDYKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WHVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WLCKKYES	N/A	N/A	N/A	N/A	N/A	N/A
WLVLKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WNCHKYMA	\$245,872	\$492,247	\$160,937	\$383,430	-34.5%	-22.1%
WNCHKYPV	N/A	N/A	N/A	N/A	N/A	N/A
WRFDKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSBGKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WSPNKYMA	N/A	N/A	N/A	N/A	N/A	N/A
WYLDKYES	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$13,205,328	\$23,240,666	\$9,296,178	\$18,251,932	-29.6%	-21.5%