

1 should disregard Ms. Marshall's recommendations as unsupported in the record of
2 this proceeding.

3 **VIII. RESPONSE TO MR. GRAVES**

4 **Q. At page 12 of his rebuttal testimony, Mr. Graves provides a table that**
5 **summarizes Staff's recommendations concerning the major rates at issue in**
6 **the proceeding. Do you have any comments regarding this table?**

7 A. Yes, I do. In order to reduce potential confusion regarding the prices at issue at
8 this stage of the proceeding, I have attached Schedule WCP-3S to my surrebuttal
9 testimony. Schedule WCP-3S summarizes the two pricing alternatives provided
10 by Ameritech Illinois as well as the recommendations of Dr. Ankum and Staff, as
11 I currently understand them.

12 **IX. CONCLUSION**

13 **Q. Please summarize your surrebuttal testimony.**

14 A. My surrebuttal testimony has shown that none of the criticisms of Ameritech
15 Illinois' cost studies raised in rebuttal testimony are valid, and that these
16 criticisms do not undermine in any way Ameritech Illinois' basic cost
17 methodology or results. I have also demonstrated that Ameritech Illinois' cost
18 studies produce reasonable prices and are consistent with sound economic
19 principles, the FCC's TELRIC rules, Illinois law, and past Commission decisions.

1 Q. Does this conclude your rebuttal testimony?

2 A. Yes, it does.

**STATE OF ILLINOIS
BEFORE THE ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION)	
)	
On its Own Motion)	
)	
v.)	
)	ICC Docket No. 00-0700
Illinois Bell Telephone Company (d/b/a Ameritech Illinois))	
)	
Investigation into tariff providing unbundled local switching and shared transport)	

Ameritech Illinois Exhibit 2.2, Schedule WCP-1S

A SURVEY OF UNBUNDLED NETWORK ELEMENT PRICES IN THE UNITED STATES

By Billy Jack Gregg
Director, Consumer Advocate Division
Public Service Commission of West Virginia

The Telecommunications Act of 1996 (the Act) envisioned three paths to local service competition: resale of an incumbent's service; overbuild of separate competitor facilities; and leasing of unbundled elements of the incumbent's network.¹ Under the Act and Federal Communications Commission (FCC) regulations, states were empowered to arbitrate disputes between carriers on the prices of unbundled network elements (UNEs).² Most states rendered initial UNE pricing decisions in the 1997-1998 time period. Subsequent FCC decisions on geographic deaveraging of UNE loop prices³ and Section 271 proceedings on regional Bell operating company (RBOC) requests to provide interLATA services have resulted in reexamination of UNE rates in many states. A number of these proceedings are still on-going.

In order to compare the results of five years of state oversight of UNE pricing, in the spring of 2001 a survey was conducted of UNE prices in all fifty states and the District of Columbia. Data contained in the survey came from state commission and RBOC web sites, supplemented with phone and e-mail contacts with state commission personnel. The UNE prices presented in the survey are for

¹47 USC 251.

²47 USC 252; 47 CFR '51.501 - 51.515.

³47 CFR '51.507(f); In re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Ninth Report and Order and Eighteenth Order on Reconsideration* (rel. Nov. 2, 1999) at paragraph 120.

the incumbent RBOC in each state, except where noted.⁴

Table 1 presents the actual UNE rates and their billing basis: per line, per minute, per mile, etc. Rates are presented for unbundled loops, switching, line port and transport. Where a state has deaveraged loop prices into geographic zones, these zone prices are presented along with a statewide average loop price, if available. State transport rates were the most difficult to present in an easily comparable manner. Transport rate structure varies widely from state to state, and the need for particular transport elements depends on the network architecture in an area served by a competitor. In order to present complete information, but at the same time reduce complexity, the transport rate column typically was limited to rates for tandem switching and common transport.

In order to translate the different rates in different states to a common basis for comparison -- in other words, to present an apples-to-apples comparison **B** the UNE rates for loop, switching and line port for each state were converted to monthly dollar amounts and added together to derive a monthly per line UNE price.⁵ Per minute switching rates were converted to dollar amounts by assuming monthly switching usage of 1000 minutes per line. In states with on-peak/off-peak switching rates, the 1000

⁴A list of company acronyms used in the survey is presented at the end of this introduction.

⁵While in most instances it is necessary to also purchase unbundled transport in order to have a basic UNE platform capable of supplying local service, state transport rates were too variable to reduce to monthly dollar figures. The reader is cautioned that the total monthly UNE prices presented in Tables 2 - 4 do not contain a cost for transport.

minutes were allocated 50/50. In states with day/evening/night switching rates, the 1000 minutes were allocated 50/30/20.

Tables 2 - 4 compare the total monthly UNE price in each state to three different benchmarks of the local market in that state. **Table 2** compares the total monthly UNE price in each state to the average monthly per line revenue in that state. The per line revenue is limited to basic service revenues⁶ and is taken from the FCC's latest State by State Revenue Report.⁷ In the last column for each state in Table 2, the total UNE price is expressed as a percentage of the average per line revenue in that state. In states with deaveraged loop or port prices, the percentage changes for each cost zone.

Table 3 compares the total monthly UNE price in each state to the average monthly per line residential rate in that state. These residential rates are taken from the latest FCC rate survey⁸, adjusted for changes in monthly rates caused by the FCC's CALLS decision.⁹ In the last column on Table 3, the total UNE price is expressed as a percentage of the residential rate in that state.¹⁰

⁶While it can be argued that winning a line will provide a competitor with access to all of the revenues produced by that line – such as long distance and internet revenues – these other revenue sources were not included since costs to provide these other services were not considered in the survey.

⁷Table 5, State by State Telephone Revenues and Universal Service Data, FCC Common Carrier Bureau, IAD (April 2001); <http://www.fcc.gov/ccb/stats/STREV-99.PDF>.

⁸Table 1.3, Reference Book on Rates, Price Indices and Expenditures for Telephone Service, FCC Common Carrier Bureau, IAD (June 1999); <http://www.fcc.gov/ccb/stats/REF99.PDF>.

⁹As a result of CALLS, the residential federal subscriber line charge (SLC) was increased from \$3.50 per month to \$4.35 per month on July 1, 2000. Local companies were also authorized to begin charging a monthly per line fee on end users to recover contributions to the federal universal service fund (USF). This fee now averages 374 per month, although it is subject to quarterly adjustment.

¹⁰It should be noted that most of the cities used in the FCC's rate surveys are larger cities, typically falling in the lowest cost UNE loop zone in each state. It would be useful to augment the

Table 4 compares the total monthly UNE price in each state to the average monthly per line business rate in that state. These business rates are also taken from the latest FCC rate survey, adjusted for CALLS. In the last column on Table 4, the total UNE price is expressed as a percentage of the business rate in that state.

As mentioned earlier, the UNE rates presented in this survey are subject to change. At least two states **B** North Carolina and Wisconsin **B** have current proceedings underway to consider deaveraged loop prices. The expected increase in Section 271 filings during the next two years may also result in further changes in UNE prices. It is hoped that the National Regulatory Research Institute (NRRI) can act as a national clearinghouse for maintaining updated, accurate UNE pricing information for each of the states.

State commissions that change UNE prices or that detect erroneous information in any of the Tables in this survey are urged to contact Ed Rosenberg (rosenberg.19@osu.edu) at NRRI (<http://www.nri.ohio-state.edu>) with updated or corrected information.

survey with representative residential and business rates for areas falling in the higher cost zones in each state.

APPENDIX

Acronyms Used in UNE Rate Comparisons

Companies

ACS	ACS of Fairbanks
AIT	Ameritech
ATU	ATU Telecommunications (Anchorage)
BS	BellSouth
SBC	SBC
USW	US West (now Qwest)
VZ	Verizon

Other Terms

Avg	Average
BRA	Base Rate Area
MOU	Minutes of Use

**Table 1
UNBUNDLED NETWORK ELEMENT RATE COMPARISON MATRIX**

All Rates for RBOC in each State Unless Otherwise Noted

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Alabama	BS	1	\$15.24	\$2.50	\$0.0017	\$0.0015 Tandem Switching \$0.00036 & \$0.00004/mile Common Transport \$0.0015
		2	\$24.75			
		3	\$44.85			
		Avg	\$19.04			
Alaska	ATU	1	\$13.85	\$4.27	\$0.006595	\$0.004712 Tandem Switching \$0.000416 Termination
	ACS	1	\$19.19	\$1.38	\$0.00203	\$0.00155 Tandem Switching \$0.00023 Common Transport
Arizona	USW	1	\$21.98	\$1.61	\$0.0028	\$0.0014 Tandem Switching \$0.00088 Common Transport
Arkansas	SBC	3	\$18.75	\$2.75	\$0.004586 \$0.006137 \$0.002352	\$0.001665 Tandem Switching \$0.000423 - \$0.000534 plus per mile Common Transport
		2	\$31.60			
		1	\$71.05			
California	SBC	1	\$10.03	\$2.88	\$0.00594 set up/ \$0.00184 Originating \$0.007 set up/ \$0.00181 Terminating	\$0.00075 set up & \$0.00067 Tandem Switching \$0.00113 Terminating
		2	\$13.51			
		3	\$25.53			
Colorado	USW	BRA	\$19.65	\$1.15	\$0.00283	\$0.002007 Tandem Switching
		1	\$26.65			
		2	\$38.65			
		3	\$84.65			
Connecticut	SBC	1A	\$8.95	\$3.31	\$0.007151*	\$0.001984 Tandem Switching
		B	\$12.03			
		C	\$13.28			
		D	\$19.69			
		Avg	\$12.49			

* On-NET Rate, includes shared transport

Table 1: UNE Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
D.C.	VZ	1	\$10.81	\$1.55	\$0.003	\$0.001043 Tandem Switching \$0.00015 & \$0.00003/mile Common Transport
Delaware	VZ	1 2 3 Avg	\$10.07 \$13.13 \$16.67 \$12.05	\$2.23	\$0.003634 Originating \$0.001927 Terminating	\$0.0006688 Tandem Switching \$0.0001221 & \$0.000022/mile Common Transport
Florida	BS	1 2 3	\$13.76 \$20.13 \$44.40	\$1.62	\$0.0008846	\$0.0001522 Tandem Switching \$0.0000039 Common Transport
Georgia	BS	1 2 3 Avg	\$14.21 \$16.41 \$26.08 \$16.51	\$1.85	\$0.001633	\$0.0006757 Tandem Switching \$0.0002126 Common Transport
Hawaii	VZ	Oahu Maui Hawaii	\$10.44 \$17.23 \$21.91	\$2.69	\$0.0076074	\$0.0012572 Tandem Switching \$0.0002710 Common Transport
Idaho	USW	1	\$25.52	\$1.34	\$0.0029	\$0.0032 Tandem Switching \$0.00218 Common Transport
Illinois	AIT	1A 1B 1C 2C Avg	\$2.59 \$7.07 \$11.40 \$11.40 \$9.81	\$5.01 Port rate includes unlimited switching	n/a	\$0.000215 Tandem Switching \$0.000809 Common Transport
Indiana	AIT	3 2 1 Avg	\$8.03 \$8.15 \$8.99 \$8.20	\$5.34	\$0.003444	\$0.000307 Tandem Switching \$0.00066 Common Transport

Table 1: UNE Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Iowa	USW	Avg	\$20.15	\$1.15	\$0.00213	\$0.00424 Tandem Switching \$0.00134 Common Transport
Kansas	SBC	3 2 1 Avg	\$11.86 \$13.64 \$23.34 \$14.04	\$1.61	\$0.00131 \$0.00169 \$0.00253	\$0.000789 Tandem Switching \$0.000401-\$0.000475 Common Transport
Kentucky	VZ	1 2 3 Avg	\$17.44 \$22.23 \$25.84 \$19.65	\$4.02	\$0.0036192 originating \$0.0032276 terminating	\$0.0008209 Tandem Switching
	BS	1 2 3 Avg	\$13.54 \$19.73 \$28.27 \$20.00	\$2.61	\$0.002562	\$0.001096 Tandem Switching \$0.000426 Common Transport
Louisiana	BS	1 2	\$19.35 \$22.84	\$2.20	\$0.0021	\$0.0008 Tandem Switching \$0.00047 Common Transport
Maine	VZ	1 2 3 Avg	\$12.67 \$15.59 \$23.00 \$17.53	\$2.24 \$2.07 \$1.82	\$0.003197-\$0.00707 \$0.005262-\$0.002263 \$0.009101-\$0.005389	\$0.002575 - \$0.001776 Tandem Switching \$0.000886 - \$0.00000 Common Transport
Maryland	VZ	A1 A2 B1 B2 Avg	\$12.11 \$12.85 \$25.96 \$18.40 \$14.50	\$1.90	\$0.0038	\$0.000695 Tandem Switching \$0.000353 Common Transport
Massachusetts	VZ	1 2 3 4 Avg	\$7.54 \$14.11 \$16.12 \$20.04 \$14.98	\$2.00	\$0.004647-\$0.001872 \$0.004724-\$0.001872	\$0.00119 - \$0.000851 Tandem Switching \$0.002201-\$0.000489 Common Transport

Table 1: UNE Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Michigan	AIT	A B C Avg	\$8.47 \$8.73 \$12.54 \$10.15	\$2.53	\$0.001192	\$0.001058 Tandem Switching \$0.000446 Common Transport
Minnesota	USW	1 2 3 4 Avg	\$8.81 \$12.33 \$14.48 \$21.91 \$17.87	\$1.08	\$0.00181	\$0.00134 Tandem Switching \$0.001484 Common Transport
Mississippi	BS	1 2 3 4	\$16.71 \$21.45 \$29.75 \$38.59	\$2.11	\$0.0012771	\$0.0007834 Tandem Switching \$0.0004281 Common Transport
Missouri	SBC	1 2 3 4	\$12.71 \$20.71 \$33.29 \$18.23	\$1.74 \$1.97 \$2.47 \$2.25	\$0.001988 \$0.002391 \$0.003444 \$0.002934	\$0.00151 Tandem Switching \$0.00019-\$0.000302 Common Transport
Montana	USW	1 2 3 4 Avg	\$26.69 \$27.62 \$31.36 \$33.95 \$27.41	\$1.45	\$0.0029	\$0.0068 Tandem Switching \$0.001459 Common Transport
Nebraska	USW	1 2 3 Avg	\$13.56 \$27.12 \$54.24 \$14.32	\$1.37	\$0.004131	\$0.002594 Tandem Switching \$0.001243 Common Transport
Nevada	SBC	1 2 3 Avg	\$11.75 \$22.66 \$66.31 \$19.83	\$1.63	\$0.00161	\$0.00171 Tandem Switching \$0.00727 Common Transport
New Hampshire	VZ	1 2 3 Avg	\$14.01 \$15.87 \$24.09 \$17.99	\$2.51 \$2.20 \$2.21 \$2.22	\$0.010697-\$0.003888	\$0.001589-\$0.001386 Tandem Switching \$0.001001-\$0.0000 Common Transport

Table 1: UNE Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
New Jersey	VZ	1	\$11.95	\$1.90	\$0.005418 Originating \$0.003207 Terminating	\$0.001323 Tandem Switching \$0.0002486 & \$0.0000012/mile Common Transport
		2	\$16.02			
		3	\$20.98			
		Avg	\$16.17			
New Mexico	USW	1	\$17.75	\$1.38	\$0.0011083	\$0.001616 Tandem Switching \$0.001882 Common Transport
		2	\$20.30			
		3	\$26.23			
New York	VZ	1	\$11.83	\$2.50	\$0.003806-\$0.001508	\$0.00456-\$0.00067 Tandem Switching \$0.003141-\$0.000321 Common Transport
		2	\$12.49			
		3	\$19.24			
		Avg	\$14.81			
North Carolina	BS	1	\$16.71	\$2.19	\$0.0017	\$0.0009 Tandem Switching \$0.00034 Common Transport
North Dakota	USW	1	\$16.41	\$1.27	\$0.002	\$0.0084 Tandem Switching \$0.004392 Common Transport
		2	\$27.66			
		3	\$62.66			
Ohio	AIT	B	\$5.93	\$4.63	\$0.003226	\$0.000689 Tandem Switching
		C	\$7.97			
		D	\$9.52			
Oklahoma	SBC	3	\$12.14	\$2.18	\$0.002268 \$0.002516 \$0.0038	\$0.000956 Tandem Switching \$0.000266-\$0.000499 Common Transport
		2	\$13.65			
		1	\$26.25			
		Avg	\$14.84			
Oregon	USW	1	\$13.95	\$1.14	\$0.001463 originating \$0.00133 terminating	\$0.001596 Tandem Switching \$0.000005 - \$0.000012 Common Transport
		2	\$25.20			
		3	\$56.21			
		Avg	\$15.00			
Pennsylvania	VZ	1	\$10.25	Option A: \$2.67 Option B:** \$1.90	\$0.001802 Originating \$0.001615 Terminating	\$0.000795 Tandem Switching \$0.000144 & \$0.000003/mile Common Transport
		2	\$11.00			
		3	\$14.00			
		4	\$17.50			
		Avg	\$14.06			

** Option A includes all vertical features. Option B includes all vertical features except 3-way calling.

Table 1: UNE Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Rhode Island	VZ	1	\$12.05	\$4.47	\$0.01237 Peak \$0.00419 Off peak	\$0.01193 Tandem Switching \$0.002199-\$0.00027 Common Transport
		2	\$16.62			
		3	\$20.59			
South Carolina	BS	1	\$18.48	\$2.35	\$0.0019295	\$0.0006843 Tandem Switching \$0.0004672 Common Transport
		2	\$27.87			
		3	\$36.91			
South Dakota	USW	1	\$7.01	\$1.84	\$0.003469	\$0.001748 Tandem Switching \$0.001388 Common Transport
		2	\$18.54			
		3	\$24.37			
Tennessee	BS	1	\$13.19	\$1.89	\$0.0008041	\$0.0009778 Tandem Switching \$0.00038 Common Transport
		2	\$17.23			
		3	\$22.53			
		Avg	\$18.00			
Texas	SBC	3	\$12.14	\$1.94 \$2.15 \$3.25 \$2.90	\$0.002116	\$0.000794 Tandem Switching \$0.000123-\$0.000144 Common Transport
		2	\$13.65			
		1	\$18.98			
		Avg	\$14.15			
Utah	USW	1	\$14.41	\$0.89 \$0.90 \$1.02	\$0.002299 \$0.002664 \$0.002896	\$0.001059 Tandem Switching \$0.000921 Common Transport
		2	\$17.47			
		3	\$24.14			
		Avg	\$20.00			
Vermont	VZ	1	\$7.72	\$1.03	\$0.004003	\$0.000921 Tandem Switching \$0.000630 Common Transport
		2	\$8.35			
		3	\$21.63			
		Avg	\$14.41			
Virginia	VZ	1	\$10.74	\$1.30	\$0.004129 Originating \$0.002079 Terminating	\$0.000548 Tandem Switching \$0.000114 Common Transport
		2	\$16.45			
		3	\$29.40			
		Avg	\$13.597			

Table 1: UNE Rate Comparison Matrix

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Washington	USW	1	\$7.91	\$1.34	\$0.0012	\$0.00141 Tandem Switching \$0.00217 Common Transport
		2	\$14.13			
		3	\$15.90			
		4	\$17.85			
		5	\$23.82			
	Avg	\$11.33				
West Virginia	VZ	1	\$14.99	\$1.60	\$0.008868 Originating \$0.005622 Terminating	\$0.0002394 Tandem Switching \$0.00067 Common Transport
		2	\$22.04			
		3	\$43.44			
		Avg	\$24.58			
Wisconsin	AIT	1	\$10.90	\$3.71	\$0.003451	\$0.000674 Tandem Switching \$0.001072 Common Transport
Wyoming	USW	BRA	\$19.05	\$1.53	\$0.003753	\$0.001642 Tandem Switching \$0.000318 fixed & per mile Tandem Transmission
		1	\$31.83			
		2	\$40.11			
		3	\$58.43			

Table 2: UNE Rate / Revenue Comparison

Table 2
UNE RATE/REVENUE COMPARISON MATRIX
 All Rates for RBOC in each State Unless Otherwise Noted

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average Revenue/line (per month)	Percentage
Alabama	BS	1	\$15.24	\$2.50	\$1.70	\$19.44	\$41.05	47.4%
		2	\$24.75			\$28.95		70.5%
		3	\$44.85			\$49.05		70.5%
		Avg	\$19.04					
Alaska	ATU	1	\$13.85	\$4.27	\$6.60	\$24.72	n/a	n/a
	ACS	1	\$19.19	\$1.38	\$2.03	\$22.60		
Arizona	USW	1	\$21.98	\$1.61	\$2.80	\$26.39	\$34.05	77.5%
Arkansas	SBC	3	\$18.75	\$2.75	\$4.59	\$26.09	\$35.42	73.7%
		2	\$31.60		\$6.14	\$40.49		114.3%
		1	\$71.05		\$2.35	\$76.15		215.0%
California	SBC	1	\$10.03	\$2.88	\$1.51	\$14.42	\$27.80	51.9%
		2	\$13.51			\$17.90		64.4%
		3	\$25.53			\$29.92		107.6%
Colorado	USW	BRA	\$19.65	\$1.15	\$2.83	\$23.63	\$40.82	57.9%
		1	\$26.65			\$30.63		75.0%
		2	\$38.65			\$39.80		97.5%
		3	\$84.65			\$88.63		217.1%
Connecticut	SBC	1A	\$8.95	\$3.31	\$7.15*	\$19.41	\$28.94	67.1%
		B	\$12.03			\$22.49		77.7%
		C	\$13.28			\$23.74		82.0%
		D	\$19.69			\$30.15		104.2%
		Avg	\$12.49					
D.C.	VZ	1	\$10.81	\$1.55	\$3.00	\$15.36	\$36.10	42.5%
Delaware	VZ	1	\$10.07	\$2.23	\$2.78	\$15.08	\$28.34	53.2%
		2	\$13.13			\$18.14		64.0%
		3	\$16.67			\$21.68		76.5%
		Avg	\$12.05					
Florida	BS	1	\$13.76	\$1.62	\$0.88	\$16.26	\$33.87	48.0%
		2	\$20.13			\$22.63		66.8%
		3	\$44.40			\$46.90		138.5%

*On-NET Rate, includes shared transport.

Table 2: UNE Rate / Revenue Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average Revenue/line (per month)	Percentage
Georgia	BS	1	\$14.21	\$1.85	\$1.63	\$17.69	\$42.60	41.5%
		2	\$16.41			\$19.89		46.7%
		3	\$26.08			\$29.56		69.4%
		Avg	\$16.51					
Hawaii	VZ	Oahu	\$10.44	\$2.69	\$7.61	\$20.74	\$40.18	51.6%
		Maui	\$17.23			\$27.53		68.5%
		Hawaii	\$21.91			\$32.21		80.2%
Idaho	USW	1	\$25.52	\$1.34	\$2.90	\$29.76	\$33.24	89.5%
Illinois	AIT	1A	\$2.59	\$5.01 Port rate includes unlimited switching	n/a	\$7.60	\$34.57	22.0%
		1B	\$7.07			\$12.08		34.9%
		1C	\$11.40			\$16.41		47.5%
		2C	\$11.40			\$16.41		47.5%
		Avg	\$9.81					
Indiana	AIT	3	\$8.03	\$5.34	\$3.44	\$16.81	\$32.35	52.0%
		2	\$8.15			\$16.93		52.3%
		1	\$8.99			\$17.77		54.9%
		Avg	\$8.20					
Iowa	USW	Avg	\$20.15	\$1.15	\$2.13	\$23.43	\$27.38	85.6%
Kansas	SBC	3	\$11.86	\$1.61	\$1.31	\$14.78	\$34.90	42.3%
		2	\$13.64			\$16.94		48.5%
		1	\$23.34			\$27.48		78.7%
		Avg	\$14.04					
Kentucky	VZ	1	\$17.44	\$4.02	\$3.42	\$24.88	\$40.16	62.0%
		2	\$22.23			\$29.67		73.9%
		3	\$25.84			\$33.28		82.9%
		Avg	\$19.65					
	BS	1	\$13.54	\$2.61	\$2.56	\$18.71	\$40.16	46.6%
		2	\$19.73			\$24.90		62.0%
		3	\$28.27			\$33.44		83.3%
		Avg	\$20.00					
Louisiana	BS	1	\$19.35	\$2.20	\$2.10	\$23.65	\$41.82	56.6%
		2	\$22.84			\$27.14		64.9%

Table 2: UNE Rate / Revenue Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average Revenue/line (per month)	Percentage
Maine	VZ	1	\$12.67	\$2.24	\$2.89	\$17.80	\$31.09	57.3%
		2	\$15.59	\$2.07	\$4.90	\$22.56		72.6%
		3	\$23.00	\$1.82	\$8.66	\$33.48		107.7%
		Avg	\$17.53					
Maryland	VZ	A1	\$12.11	\$1.90	\$3.80	\$17.81	\$33.40	53.3%
		A2	\$12.85			\$18.55		55.5%
		B1	\$25.96			\$31.66		94.8%
		B2	\$18.40			\$24.10		72.1%
		Avg	\$14.50					
Massachusetts	VZ	1	\$7.54	\$2.00	\$3.26	\$12.80	\$30.87	41.5%
		2	\$14.11		\$3.30	\$19.41		62.9%
		3	\$16.12		\$3.30	\$21.42		69.4%
		4	\$20.04		\$3.30	\$25.34		82.1%
		Avg	\$14.98					
Michigan	AIT	A	\$8.47	\$2.53	\$1.19	\$12.19	\$29.01	42.0%
		B	\$8.73			\$12.45		42.9%
		C	\$12.54			\$16.26		56.0%
		Avg	\$10.15					
Minnesota	USW	1	\$8.81	\$1.08	\$1.81	\$11.70	\$33.26	35.2%
		2	\$12.33			\$15.22		45.8%
		3	\$14.48			\$17.37		52.2%
		4	\$21.91			\$24.80		74.6%
		Avg	\$17.87					
Mississippi	BS	1	\$16.71	\$2.11	\$1.28	\$20.10	\$45.10	44.6%
		2	\$21.45			\$24.84		55.1%
		3	\$29.75			\$33.14		73.5%
		4	\$38.59			\$41.98		93.1%
Missouri	SBC	1	\$12.71	\$1.74	\$1.99	\$16.44	\$32.96	49.9%
		2	\$20.71	\$1.97	\$2.39	\$25.07		76.1%
		3	\$33.29	\$2.47	\$3.44	\$39.20		118.9%
		4	\$18.23	\$2.25	\$2.93	\$23.41		71.0%
Montana	USW	1	\$26.69	\$1.45	\$2.90	\$31.04	\$35.60	87.2%
		2	\$27.62			\$31.97		89.8%
		3	\$31.36			\$35.71		100.3%
		4	\$33.95			\$38.30		107.6%
		Avg	\$27.41					

Table 2: UNE Rate / Revenue Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average Revenue/line (per month)	Percentage		
Nebraska	USW	1	\$13.56	\$1.37	\$4.13	\$19.06	\$40.13	47.5%		
		2	\$27.12			\$32.62		81.3%		
		3	\$54.24			\$59.74		148.9%		
		Avg	\$14.32							
Nevada	SBC	1	\$11.75	\$1.63	\$1.61	\$14.99	\$27.47	54.6%		
		2	\$22.66			\$29.93		109.0%		
		3	\$66.31			\$69.55		253.2%		
		Avg	\$19.83							
New Hampshire	VZ	1	\$14.01	\$2.51	\$7.92	\$24.44	\$29.23	83.6%		
		2	\$15.87			\$25.99		88.9%		
		3	\$24.09			\$34.22		117.1%		
		Avg	\$17.53			\$2.22				
New Jersey	VZ	1	\$11.95	\$1.90	\$4.31	\$18.16	\$25.28	71.8%		
		2	\$16.02			\$22.23		87.9%		
		3	\$20.98			\$27.19		107.6%		
		Avg	\$16.17							
New Mexico	USW	1	\$17.75	\$1.38	\$1.11	\$20.24	\$35.59	56.9%		
		2	\$20.30			\$22.79		64.0%		
		3	\$26.23			\$28.72		80.7%		
New York	VZ	1	\$11.83	\$2.50	\$2.75	\$17.08	\$41.19	41.5%		
		2	\$12.49			\$17.74		43.1%		
		3	\$19.24			\$24.49		59.5%		
		Avg	\$14.81							
North Carolina	BS	1	\$16.71	\$2.19	\$1.70	\$20.60	\$36.05	57.1%		
North Dakota	USW	1	\$16.41	\$1.27	\$2.00	\$19.68	\$29.83	66.0%		
		2	\$27.66			\$30.93		103.7%		
		3	\$62.66			\$65.93		221.0%		
Ohio	AIT	B	\$5.93	\$4.63	\$3.23	\$13.79	\$32.83	42.0%		
		C	\$7.97			\$15.83		48.2%		
		D	\$9.52			\$17.38		52.9%		
Oklahoma	SBC	3	\$12.14	\$2.18	\$2.27	\$16.59	\$32.67	50.8%		
		2	\$13.65			\$2.21		\$2.52	\$18.38	56.3%
		1	\$26.25			\$2.58		\$3.80	\$32.63	99.9%
		Avg	\$14.84			\$2.25				

Table 2: UNE Rate / Revenue Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average Revenue/line (per month)	Percentage
Oregon	USW	1	\$13.95	\$1.14	\$1.40	\$16.49	\$32.62	50.6%
		2	\$25.20			\$27.74		85.0%
		3	\$56.21			\$58.75		180.1%
		Avg	\$15.00					
Pennsylvania	VZ	1	\$10.25	\$2.67	\$1.71	\$14.63	\$26.57	55.1%
		2	\$11.00			\$15.38		57.9%
		3	\$14.00			\$18.38		69.2%
		4	\$17.50			\$21.88		82.3%
		Avg	\$14.06					
Rhode Island	VZ	1	\$12.05	\$4.47	\$8.28	\$24.80	\$29.28	84.7%
		2	\$16.62			\$29.37		91.6%
		3	\$20.59			\$33.34		104.0%
South Carolina	BS	1	\$18.48	\$2.35	\$1.93	\$22.76	\$41.44	54.9%
		2	\$27.87			\$32.15		77.6%
		3	\$36.91			\$41.19		99.4%
South Dakota	USW	1	\$7.01	\$1.84	\$3.47	\$12.32	\$31.27	39.4%
		2	\$18.54			\$23.85		76.3%
		3	\$24.37			\$29.68		94.9%
Tennessee	BS	1	\$13.19	\$1.89	\$0.80	\$15.88	\$38.04	41.7%
		2	\$17.23			\$19.92		52.4%
		3	\$22.53			\$25.22		66.3%
		Avg	\$18.00					
Texas	SBC	3	\$12.14	\$1.94	\$2.12	\$16.20	\$33.65	48.1%
		2	\$13.65			\$17.92		53.3%
		1	\$18.98			\$24.35		72.4%
		Avg	\$14.15			\$2.90		
Utah	USW	1	\$14.41	\$0.89	\$2.30	\$17.60	\$32.50	54.2%
		2	\$17.47			\$21.03		64.7%
		3	\$24.14			\$28.06		86.3%
		Avg	\$20.00					
Vermont	VZ	1	\$7.72	\$1.03	\$4.00	\$12.75	\$34.97	36.5%
		2	\$8.35			\$13.38		34.9%
		3	\$21.63			\$26.66		69.4%
		Avg	\$14.41					

Table 2: UNE Rate / Revenue Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average Revenue/line (per month)	Percentage
Virginia	VZ	1	\$10.74	\$1.30	\$3.10	\$15.14	\$32.55	46.5%
		2	\$16.45			\$20.85		64.1%
		3	\$29.40			\$33.80		103.8%
		Avg	\$13.597					
Washington	USW	1	\$7.91	\$1.34	\$1.20	\$10.45	\$31.03	33.7%
		2	\$14.13			\$16.67		
		3	\$15.90			\$18.44		
		4	\$17.85			\$20.39		
		5	\$23.82			\$26.36		
		Avg	\$11.33					
West Virginia	VZ	1	\$14.99	\$1.60	\$7.24	\$23.83	\$39.51	60.3%
		2	\$22.04			\$30.88		78.2%
		3	\$43.44			\$52.28		132.3%
		Avg	\$24.58					
Wisconsin	AIT	1	\$10.90	\$3.71	\$3.45	\$18.06	\$31.07	58.1%
Wyoming	USW	BRA	\$19.05	\$1.53	\$3.75	\$24.33	\$37.72	64.5%
		1	\$31.83			\$37.11		98.4%
		2	\$40.11			\$45.39		120.3%
		3	\$58.43			\$63.71		168.9%

NOTES:

1. Monthly cost of switching based on usage of 1,000 minutes per month. In states with on-peak/off-peak pricing or originating/terminating pricing, the 1,000 minutes were allocated 50/50. In states with day/evening/night pricing, the 1,000 minutes were allocated 50/30/20.
2. The Total Cost column is the sum of monthly unbundled loop, port and switching. Because of the widely varying rate designs for transport for each state, transport costs are not included. However, the reader is cautioned that a complete UNE platform to provide local service would also include transport costs.
3. Average revenue per line by state is taken from the FCC's State-by-State Telephone Revenues and Universal Service Data, April 2001, Table 5. The revenue per line is an average of all local exchange and subscriber line charge revenue, business and residence.
4. The Percentage column is the Total Cost column divided by Average Revenue/line.

Table 3: UNE Rate / Residential Rate Comparison

Table 3
UNE RATE/RESIDENTIAL RATE COMPARISON MATRIX
 All Rates for RBOC in each State Unless Otherwise Noted

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average residential rate (per month)	Percentage	
Alabama	BS	1	\$15.24	\$2.50	\$1.70	\$19.44	\$23.89	81.4%	
		2	\$24.75			\$28.95		121.2%	
		3	\$44.85			\$49.05		121.2%	
		Avg	\$19.04						
Alaska	ATU	1	\$13.85	\$4.27	\$6.60	\$24.72	\$15.69	157.6%	
Arizona	USW	1	\$21.98	\$1.61	\$2.80	\$26.39	\$20.64	127.9%	
Arkansas	SBC	3	\$18.75	\$2.75	\$4.59	\$26.09	\$23.44	111.3%	
		2	\$31.60			\$6.14		\$40.49	172.7%
		1	\$71.05			\$2.35		\$76.15	324.9%
California	SBC	1	\$10.03	\$2.88	\$1.51	\$14.42	\$18.73	77.0%	
		2	\$13.51			\$17.90		95.6%	
		3	\$25.53			\$29.92		159.7%	
Colorado	USW	BRA	\$19.65	\$1.15	\$2.83	\$23.63	\$22.62	104.5%	
		1	\$26.65			\$30.63		135.4%	
		2	\$38.65			\$39.80		176.0%	
		3	\$84.65			\$88.63		391.8%	
Connecticut	SBC	1A	\$8.95	\$3.31	\$7.15*	\$19.41	\$19.86	97.7%	
		B	\$12.03			\$22.49		113.2%	
		C	\$13.28			\$23.74		119.5%	
		D	\$19.69			\$30.15		151.8%	
		Avg	\$12.49						
D.C.	VZ	1	\$10.81	\$1.55	\$3.00	\$15.36	\$21.32	72.0%	
Delaware	VZ	1	\$10.07	\$2.23	\$2.78	\$15.08	\$16.34	92.3%	
		2	\$13.13			\$18.14		111.0%	
		3	\$16.67			\$21.68		132.7%	
		Avg	\$12.05						
Florida	BS	1	\$13.76	\$1.62	\$0.88	\$16.26	\$18.07	90.0%	
		2	\$20.13			\$22.63		125.2%	
		3	\$44.40			\$46.90		259.5%	

*On-NET Rate, includes shared transport.

Table 3: UNE Rate / Residential Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average residential rate (per month)	Percentage
Georgia	BS	1	\$14.21	\$1.85	\$1.63	\$17.69	\$26.14	67.7%
		2	\$16.41			\$19.89		76.1%
		3	\$26.08			\$29.56		113.1%
		Avg	\$16.51					
Hawaii	VZ	Oahu	\$10.44	\$2.69	\$7.61	\$20.74	\$23.62	87.8%
		Maui	\$17.23			\$27.53		116.6%
		Hawaii	\$21.91			\$32.21		136.4%
Idaho	USW	1	\$25.52	\$1.34	\$2.90	\$29.76	\$16.21	183.6%
Illinois	AIT	1A	\$2.59	\$5.01 Port rate includes unlimited switching	n/a	\$7.60	\$10.20	74.5%
		1B	\$7.07			\$12.08	\$16.22	74.5%
		1C	\$11.40			\$16.41	\$16.80	71.9%
		2C	\$11.40			\$16.41	\$16.80	71.9%
		Avg	\$9.81					
Indiana	AIT	3	\$8.03	\$5.34	\$3.44	\$16.81	\$20.04	83.9%
		2	\$8.15			\$16.93		84.5%
		1	\$8.99			\$17.77		88.7%
		Avg	\$8.20					
Iowa	USW	Avg	\$20.15	\$1.15	\$2.13	\$23.43	\$15.43	151.8%
Kansas	SBC	3	\$11.86	\$1.61	\$1.31	\$14.78	\$18.77	78.7%
		2	\$13.64		\$1.69	\$16.94		90.3%
		1	\$23.34		\$2.53	\$27.48		146.4%
		Avg	\$14.04					
Kentucky	VZ	1	\$17.44	\$4.02	\$3.42	\$24.88	\$23.78	104.6%
		2	\$22.23			\$29.67		124.8%
		3	\$25.84			\$33.28		139.9%
		Avg	\$19.65					
	BS	1	\$13.54	\$2.61	\$2.56	\$18.71	\$25.85	78.7%
		2	\$19.73			\$24.90		96.3%
		3	\$28.27			\$33.44		129.4%
Avg	\$20.00							
Louisiana	BS	1	\$19.35	\$2.20	\$2.10	\$23.65	\$20.79	113.8%
		2	\$22.84			\$27.14		130.5%

Table 3: UNE Rate / Residential Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average residential rate (per month)	Percentage	
Maine	VZ	1	\$12.67	\$2.24	\$2.89	\$17.80	\$20.92	85.1%	
		2	\$15.59	\$2.07	\$4.90	\$22.56		107.8%	
		3	\$23.00	\$1.82	\$8.66	\$33.48		160.0%	
		Avg	\$17.53						
Maryland	VZ	A1	\$12.11	\$1.90	\$3.80	\$17.81	\$25.89	68.8%	
		A2	\$12.85			\$18.55		71.6%	
		B1	\$25.96			\$31.66		122.3%	
		B2	\$18.40			\$24.10		93.1%	
		Avg	\$14.50						
Massachusetts	VZ	1	\$7.54	\$2.00	\$3.26	\$12.80	\$24.29	52.7%	
		2	\$14.11			\$3.30		\$19.41	79.9%
		3	\$16.12			\$3.30		\$21.42	88.2%
		4	\$20.04			\$3.30		\$25.34	104.3%
		Avg	\$14.98						
Michigan	AIT	A	\$8.47	\$2.53	\$1.19	\$12.19	\$20.98	58.1%	
		B	\$8.73			\$12.45		59.3%	
		C	\$12.54			\$16.26		77.5%	
		Avg	\$10.15						
Minnesota	USW	1	\$8.81	\$1.08	\$1.81	\$11.70	\$22.67	51.6%	
		2	\$12.33			\$15.22		67.1%	
		3	\$14.48			\$17.37		76.6%	
		4	\$21.91			\$24.80		109.4%	
		Avg	\$17.87						
Mississippi	BS	1	\$16.71	\$2.11	\$1.28	\$20.10	\$26.48	75.9%	
		2	\$21.45			\$24.84		93.8%	
		3	\$29.75			\$33.14		125.2%	
		4	\$38.59			\$41.98		158.5%	
Missouri	SBC	1	\$12.71	\$1.74	\$1.99	\$16.44	\$19.40	84.7%	
		2	\$20.71			\$25.07		129.2%	
		3	\$33.29			\$39.20		202.1%	
		4	\$18.23			\$23.41		120.7%	
Montana	USW	1	\$26.69	\$1.45	\$2.90	\$31.04	\$20.91	148.4%	
		2	\$27.62			\$31.97		152.9%	
		3	\$31.36			\$35.71		170.8%	
		4	\$33.95			\$38.30		183.2%	
		Avg	\$27.41						

Table 3: UNE Rate / Residential Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average residential rate (per month)	Percentage		
Nebraska	USW	1	\$13.56	\$1.37	\$4.13	\$19.06	\$24.49	77.8%		
		2	\$27.12			\$32.62				
		3	\$54.24			\$59.74				
		Avg	\$14.32							
Nevada	SBC	1	\$11.75	\$1.63	\$1.61	\$14.99	\$15.47	96.9%		
		2	\$22.66			\$29.93		193.5%		
		3	\$66.31			\$69.55		449.6%		
		Avg	\$19.83							
New Hampshire	VZ	1	\$14.01	\$2.51	\$7.92	\$24.44	\$20.45	119.5%		
		2	\$15.87			\$25.99		127.1%		
		3	\$24.09			\$34.22		167.3%		
		Avg	\$17.53			\$2.22				
New Jersey	VZ	1	\$11.95	\$1.90	\$4.31	\$18.16	\$14.27	127.3%		
		2	\$16.02			\$22.23		155.8%		
		3	\$20.98			\$27.19		190.5%		
		Avg	\$16.17							
New Mexico	USW	1	\$17.75	\$1.38	\$1.11	\$20.24	\$22.21	91.1%		
		2	\$20.30			\$22.79		102.6%		
		3	\$26.23			\$28.72		129.3%		
New York	VZ	1	\$11.83	\$2.50	\$2.75	\$17.08	\$26.08	65.5%		
		2	\$12.49			\$17.74		68.0%		
		3	\$19.24			\$24.49		93.9%		
		Avg	\$14.81							
North Carolina	BS	1	\$16.71	\$2.19	\$1.70	\$20.60	\$18.44	111.7%		
North Dakota	USW	1	\$16.41	\$1.27	\$2.00	\$19.68	\$22.41	87.8%		
		2	\$27.66			\$30.93		138.0%		
		3	\$62.66			\$65.93		294.2%		
Ohio	AIT	B	\$5.93	\$4.63	\$3.23	\$13.79	\$19.94	69.2%		
		C	\$7.97			\$15.83		79.4%		
		D	\$9.52			\$17.38		87.2%		
Oklahoma	SBC	3	\$12.14	\$2.18	\$2.27	\$16.59	\$19.06	87.0%		
		2	\$13.65			\$2.21		\$2.52	\$18.38	96.4%
		1	\$26.25			\$2.58		\$3.80	\$32.63	171.2%
		Avg	\$14.84			\$2.25				

Table 3: UNE Rate / Residential Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average residential rate (per month)	Percentage
Oregon	USW	1	\$13.95	\$1.14	\$1.40	\$16.49	\$22.41	73.6%
		2	\$25.20			\$27.74		123.8%
		3	\$56.21			\$58.75		262.2%
		Avg	\$15.00					
Pennsylvania	VZ	1	\$10.25	\$2.67	\$1.71	\$14.63	\$19.78	74.0%
		2	\$11.00			\$15.38		77.8%
		3	\$14.00			\$18.38		92.9%
		4	\$17.50			\$21.88		110.6%
		Avg	\$14.06					
Rhode Island	VZ	1	\$12.05	\$4.47	\$8.28	\$24.80	\$24.72	100.3%
		2	\$16.62			\$29.37		118.8%
		3	\$20.59			\$33.34		134.9%
South Carolina	BS	1	\$18.48	\$2.35	\$1.93	\$22.76	\$20.12	113.1%
		2	\$27.87			\$32.15		159.8%
		3	\$36.91			\$41.19		204.7%
South Dakota	USW	1	\$7.01	\$1.84	\$3.47	\$12.32	\$19.77	62.3%
		2	\$18.54			\$23.85		120.6%
		3	\$24.37			\$29.68		150.1%
Tennessee	BS	1	\$13.19	\$1.89	\$0.80	\$15.88	\$21.55	73.7%
		2	\$17.23			\$19.92		92.4%
		3	\$22.53			\$25.22		117.0%
		Avg	\$18.00					
Texas	SBC	3	\$12.14	\$1.94	\$2.12	\$16.20	\$19.53	82.9%
		2	\$13.65			\$17.92		91.8%
		1	\$18.98			\$24.35		124.7%
		Avg	\$14.15			\$2.90		
Utah	USW	1	\$14.41	\$0.89	\$2.30	\$17.60	\$18.95	92.9%
		2	\$17.47			\$21.03		111.0%
		3	\$24.14			\$28.06		148.1%
		Avg	\$20.00					
Vermont	VZ	1	\$7.72	\$1.03	\$4.00	\$12.75	\$27.40	46.5%
		2	\$8.35			\$13.38		48.8%
		3	\$21.63			\$26.66		97.3%
		Avg	\$14.41					

Table 3: UNE Rate / Residential Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average residential rate (per month)	Percentage
Virginia	VZ	1	\$10.74	\$1.30	\$3.10	\$15.14	\$25.00	60.6%
		2	\$16.45			\$20.85		83.4%
		3	\$29.40			\$33.80		135.2%
		Avg	\$13.597					
Washington	USW	1	\$11.33	\$1.04	\$1.80	\$14.17	\$19.38	73.1%
West Virginia	VZ	1	\$14.99	\$1.60	\$7.24	\$23.83	\$25.58	93.2%
		2	\$22.04			\$30.88		120.7%
		3	\$43.44			\$52.28		204.4%
		Avg	\$24.58					
Wisconsin	AIT	1	\$10.90	\$3.71	\$3.45	\$18.06	\$11.58	156.0%
Wyoming	USW	BRA	\$19.05	\$1.53	\$3.75	\$24.33	\$27.82	87.5%
		1	\$31.83			\$37.11		133.4%
		2	\$40.11			\$45.39		163.2%
		3	\$58.43			\$63.71		229.0%

NOTES:

1. Monthly cost of switching based on usage of 1,000 minutes per month. In states with on-peak/off-peak pricing or originating/terminating pricing, the 1,000 minutes were allocated 50/50. In states with day/evening/night pricing, the 1,000 minutes were allocated 50/30/20.
2. The Total Cost column is the sum of monthly unbundled loop, port and switching. Because of the widely varying rate designs for transport for each state, transport costs are not included. However, the reader is cautioned that a complete UNE platform to provide local service would also include transport costs.
3. Monthly residential rates by state are taken from the FCC's Reference Book of Rates, Price Indices and Expenditures for Telephone Service, June 1999, Table 1.3, adjusted for changes in the federal subscriber line charge to \$4.35 per month and imposition of federal universal service surcharges on end-users.
4. The Percentage column is the Total Cost column divided by Average Residential Rate.

Table 4: UNE Rate / Business Rate Comparison

Table 4
UNE RATE/BUSINESS RATE COMPARISON MATRIX
 All Rates for RBOC in each State Unless Otherwise Noted

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average business rate (per month)	Percentage
Alabama	BS	1	\$15.24	\$2.50	\$1.70	\$19.44	\$49.62	39.2%
		2	\$24.75			\$28.95		58.3%
		3	\$44.85			\$49.05		58.3%
		Avg	\$19.04					
Alaska	ATU	1	\$13.85	\$4.27	\$6.60	\$24.72	\$32.33	76.5%
Arizona	USW	1	\$21.98	\$1.61	\$2.80	\$26.39	\$43.24	61.0%
Arkansas	SBC	3	\$18.75	\$2.75	\$4.59	\$26.09	\$42.34	61.6%
		2	\$31.60		\$6.14	\$40.49		95.6%
		1	\$71.05		\$2.35	\$76.15		179.9%
California	SBC	1	\$10.03	\$2.88	\$1.51	\$14.42	\$20.06	71.9%
		2	\$13.51			\$17.90		89.2%
		3	\$25.53			\$29.92		149.2%
Colorado	USW	BRA	\$19.65	\$1.15	\$2.83	\$23.63	\$48.10	49.1%
		1	\$26.65			\$30.63		63.7%
		2	\$38.65			\$39.80		82.7%
		3	\$84.65			\$88.63		184.3%
Connecticut	SBC	1A	\$8.95	\$3.31	\$7.15*	\$19.41	\$44.87	43.3%
		B	\$12.03			\$22.49		50.1%
		C	\$13.28			\$23.74		52.9%
		D	\$19.69			\$30.15		67.2%
		Avg	\$12.49					
D.C.	VZ	1	\$10.81	\$1.55	\$3.00	\$15.36	\$22.24	69.1%
Delaware	VZ	1	\$10.07	\$2.23	\$2.78	\$15.08	\$31.55	47.8%
		2	\$13.13			\$18.14		57.5%
		3	\$16.67			\$21.68		68.7%
		Avg	\$12.05					
Florida	BS	1	\$13.76	\$1.62	\$0.88	\$16.26	\$41.89	38.8%
		2	\$20.13			\$22.63		54.0%
		3	\$44.40			\$46.90		112.0%

*On-NET Rate, includes shared transport.

Table 4: UNE Rate / Business Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average business rate (per month)	Percentage
Georgia	BS	1	\$14.21	\$1.85	\$1.63	\$17.69	\$60.03	29.5%
		2	\$16.41			\$19.89		33.1%
		3	\$26.08			\$29.56		49.2%
		Avg	\$16.51					
Hawaii	VZ	Oahu	\$10.44	\$2.69	\$7.61	\$20.74	\$48.54	42.7%
		Maui	\$17.23			\$27.53		56.7%
		Hawaii	\$21.91			\$32.21		66.4%
Idaho	USW	1	\$25.52	\$1.34	\$2.90	\$29.76	\$37.19	80.0%
Illinois	AIT	1A	\$2.59	\$5.01 Port rate includes unlimited switching	n/a	\$7.60	\$14.26	53.3%
		1B	\$7.07			\$12.08		58.1%
		1C	\$11.40			\$16.41		76.6%
		2C	\$11.40			\$16.41		76.6%
		Avg	\$9.81					
Indiana	AIT	3	\$8.03	\$5.34	\$3.44	\$16.81	\$57.06	29.5%
		2	\$8.15			\$16.93		29.7%
		1	\$8.99			\$17.77		31.1%
		Avg	\$8.20					
Iowa	USW	Avg	\$20.15	\$1.15	\$2.13	\$23.43	\$35.90	65.3%
Kansas	SBC	3	\$11.86	\$1.61	\$1.31	\$14.78	\$33.47	44.2%
		2	\$13.64			\$16.94		50.6%
		1	\$23.34			\$27.48		82.1%
		Avg	\$14.04					
Kentucky	VZ	1	\$17.44	\$4.02	\$3.42	\$24.88	\$23.78	104.6%
		2	\$22.23			\$29.67		124.8%
		3	\$25.84			\$33.28		139.9%
		Avg	\$19.65					
	BS	1	\$13.54	\$2.61	\$2.56	\$18.71	\$46.49	40.2%
		2	\$19.73			\$24.90		53.6%
		3	\$28.27			\$33.44		71.9%
		Avg	\$20.00					
Louisiana	BS	1	\$19.35	\$2.20	\$2.10	\$23.65	\$46.86	50.5%
		2	\$22.84			\$27.14		57.9%

Table 4: UNE Rate / Business Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average business rate (per month)	Percentage
Maine	VZ	1	\$12.67	\$2.24	\$2.89	\$17.80	\$42.55	41.8%
		2	\$15.59	\$2.07	\$4.90	\$22.56		53.0%
		3	\$23.00	\$1.82	\$8.66	\$33.48		78.7%
		Avg	\$17.53					
Maryland	VZ	A1	\$12.11	\$1.90	\$3.80	\$17.81	\$26.22	67.9%
		A2	\$12.85			\$18.55		70.7%
		B1	\$25.96			\$31.66		120.7%
		B2	\$18.40			\$24.10		91.9%
		Avg	\$14.50					
Massachusetts	VZ	1	\$7.54	\$2.00	\$3.26	\$12.80	\$49.60	25.8%
		2	\$14.11		\$3.30	\$19.41		39.1%
		3	\$16.12		\$3.30	\$21.42		43.2%
		4	\$20.04		\$3.30	\$25.34		51.1%
		Avg	\$14.98					
Michigan	AIT	A	\$8.47	\$2.53	\$1.19	\$12.19	\$25.58	47.7%
		B	\$8.73			\$12.45		48.7%
		C	\$12.54			\$16.26		63.6%
		Avg	\$10.15					
Minnesota	USW	1	\$8.81	\$1.08	\$1.81	\$11.70	\$56.07	20.9%
		2	\$12.33			\$15.22		27.1%
		3	\$14.48			\$17.37		31.0%
		4	\$21.91			\$24.80		44.2%
		Avg	\$17.87					
Mississippi	BS	1	\$16.71	\$2.11	\$1.28	\$20.10	\$57.10	35.2%
		2	\$21.45			\$24.84		43.5%
		3	\$29.75			\$33.14		58.0%
		4	\$38.59			\$41.98		73.5%
Missouri	SBC	1	\$12.71	\$1.74	\$1.99	\$16.44	\$46.37	35.5%
		2	\$20.71		\$2.39	\$25.07		54.1%
		3	\$33.29		\$3.44	\$39.20		84.5%
		4	\$18.23		\$2.93	\$23.41		50.5%
Montana	USW	1	\$26.69	\$1.45	\$2.90	\$31.04	\$46.58	66.6%
		2	\$27.62			\$31.97		68.6%
		3	\$31.36			\$35.71		76.7%
		4	\$33.95			\$38.30		82.2%
		Avg	\$27.41					

Table 4: UNE Rate / Business Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average business rate (per month)	Percentage
Nebraska	USW	1	\$13.56	\$1.37	\$4.13	\$19.06	\$48.78	39.1%
		2	\$27.12			\$32.62		
		3	\$54.24			\$59.74		
		Avg	\$14.32					
Nevada	SBC	1	\$11.75	\$1.63	\$1.61	\$14.99	\$26.72	56.1%
		2	\$22.66			\$29.93		112.0%
		3	\$66.31			\$69.55		260.3%
		Avg	\$19.83					
New Hampshire	VZ	1	\$14.01	\$2.51	\$7.92	\$24.44	\$49.39	49.5%
		2	\$15.87	\$2.20		\$25.99		52.6%
		3	\$24.09	\$2.21		\$34.22		69.3%
		Avg	\$17.53	\$2.22				
New Jersey	VZ	1	\$11.95	\$1.90	\$4.31	\$18.16	\$19.62	92.6%
		2	\$16.02			\$22.23		113.3%
		3	\$20.98			\$27.19		138.6%
		Avg	\$16.17					
New Mexico	USW	1	\$17.75	\$1.38	\$1.11	\$20.24	\$57.59	35.1%
		2	\$20.30			\$22.79		39.6%
		3	\$26.23			\$28.72		49.9%
New York	VZ	1	\$11.83	\$2.50	\$2.75	\$17.08	\$27.53	62.0%
		2	\$12.49			\$17.74		64.4%
		3	\$19.24			\$24.49		89.0%
		Avg	\$14.81					
North Carolina	BS	1	\$16.71	\$2.19	\$1.70	\$20.60	\$41.18	50.0%
North Dakota	USW	1	\$16.41	\$1.27	\$2.00	\$19.68	\$35.86	54.9%
		2	\$27.66			\$30.93		86.3%
		3	\$62.66			\$65.93		183.9%
Ohio	AIT	B	\$5.93	\$4.63	\$3.23	\$13.79	\$32.14	42.9%
		C	\$7.97			\$15.83		49.3%
		D	\$9.52			\$17.38		54.1%
Oklahoma	SBC	3	\$12.14	\$2.18	\$2.27	\$16.59	\$37.89	43.8%
		2	\$13.65	\$2.21	\$2.52	\$18.38		48.5%
		1	\$26.25	\$2.58	\$3.80	\$32.63		86.1%
		Avg	\$14.84	\$2.25				

Table 4: UNE Rate / Business Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average business rate (per month)	Percentage
Oregon	USW	1	\$13.95	\$1.14	\$1.40	\$16.49	\$43.22	38.2%
		2	\$25.20			\$27.74		64.2%
		3	\$56.21			\$58.75		135.9%
		Avg	\$15.00					
Pennsylvania	VZ	1	\$10.25	\$2.67	\$1.71	\$14.63	\$18.75	78.0%
		2	\$11.00			\$15.38		82.0%
		3	\$14.00			\$18.38		98.0%
		Avg	\$14.06					
Rhode Island	VZ	1	\$12.05	\$4.47	\$8.28	\$24.80	\$27.56	90.0%
		2	\$16.62			\$29.37		106.6%
		3	\$20.59			\$33.34		121.0%
South Carolina	BS	1	\$18.48	\$2.35	\$1.93	\$22.76	\$47.47	47.9%
		2	\$27.87			\$32.15		67.7%
		3	\$36.91			\$41.19		86.8%
South Dakota	USW	1	\$7.01	\$1.84	\$3.47	\$12.32	\$43.12	28.6%
		2	\$18.54			\$23.85		55.3%
		3	\$24.37			\$29.68		68.8%
Tennessee	BS	1	\$13.19	\$1.89	\$0.80	\$15.88	\$56.17	28.3%
		2	\$17.23			\$19.92		35.5%
		3	\$22.53			\$25.22		44.9%
		Avg	\$18.00					
Texas	SBC	3	\$12.14	\$1.94	\$2.12	\$16.20	\$44.07	36.8%
		2	\$13.65			\$17.92		40.7%
		1	\$18.98			\$24.35		55.3%
		Avg	\$14.15			\$2.90		
Utah	USW	1	\$14.41	\$0.89	\$2.30	\$17.60	\$29.68	59.3%
		2	\$17.47			\$21.03		70.9%
		3	\$24.14			\$28.06		94.5%
		Avg	\$20.00			\$1.02		\$2.90
Vermont	VZ	1	\$7.72	\$1.03	\$4.00	\$12.75	\$74.49	17.1%
		2	\$8.35			\$13.38		18.0%
		3	\$21.63			\$26.66		35.8%
		Avg	\$14.41					

Table 4: UNE Rate / Business Rate Comparison

State	Company	Density Zones	Loop Rate (per month)	Port Rate (per month)	Switching (per month)	Total Cost	Average business rate (per month)	Percentage
Virginia	VZ	1	\$10.74	\$1.30	\$3.10	\$15.14	\$73.75	20.5%
		2	\$16.45			\$20.85		28.3%
		3	\$29.40			\$33.80		45.8%
		Avg	\$13.597					
Washington	USW	1	\$11.33	\$1.04	\$1.80	\$14.17	\$37.69	37.6%
West Virginia	VZ	1	\$14.99	\$1.60	\$7.24	\$23.83	\$62.60	38.1%
		2	\$22.04			\$30.88		49.3%
		3	\$43.44			\$52.28		83.5%
		Avg	\$24.58					
Wisconsin	AIT	1	\$10.90	\$3.71	\$3.45	\$18.06	\$22.91	78.8%
Wyoming	USW	BRA	\$19.05	\$1.53	\$3.75	\$24.33	\$27.82	87.5%
		1	\$31.83			\$37.11		133.4%
		2	\$40.11			\$45.39		163.2%
		3	\$58.43			\$63.71		229.0%

NOTES:

1. Monthly cost of switching based on usage of 1,000 minutes per month. In states with on-peak/off-peak pricing or originating/terminating pricing, the 1,000 minutes were allocated 50/50. In states with day/evening/night pricing, the 1,000 minutes were allocated 50/30/20.
2. The Total Cost column is the sum of monthly unbundled loop, port and switching. Because of the widely varying rate designs for transport for each state, transport costs are not included. However, the reader is cautioned that a complete UNE platform to provide local service would also include transport costs.
3. Monthly business rates by state are taken from the FCC's Reference Book of Rates, Price Indices and Expenditures for Telephone Service, June 1999, Table 1.3, adjusted for changes in the federal subscriber line charge to \$4.35 per month and imposition of federal universal service surcharges on end-users.
4. The Percentage column is the Total Cost column divided by Average Residential Rate.