

COMCAST PHONE OF MASSACHUSETTS, INC.

RESPONSE TO ONE COMMUNICATIONS – CC 1-2

ATTACHMENT

**A SURVEY OF UNBUNDLED NETWORK ELEMENT PRICES
IN THE UNITED STATES**
(Updated March 2006)

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

Introduction

Unbundled network elements (UNEs) are in the midst of a transition. Under current FCC rules, local switching will no longer be available as a UNE after March 2006.⁽¹⁾ This will effectively mean the end of the unbundled network element platform (UNE-P) - the combination of unbundled switching with loop, port and transport elements at state-established rates. Nevertheless, even after the demise of unbundled switching and UNE-P, unbundled loop, port and transport elements will continue to be available,⁽²⁾ and will continue to play a critical part in providing service for many competitive local exchange providers. Facilities-based competitors can use UNE loop, port and transport elements in combination with the competitor's own switching facilities to provide local service to customers. Moreover, during the past year many competitors providing service by means of UNE-P have transitioned their customers to some other permanent service arrangement, such as resale or UNE-P at commercially negotiated (higher) rates.⁽³⁾

In spite of the upheaval since the entry of the FCC's Order on Remand, UNE rates have remained relatively stable. Not all carriers have imposed the one dollar increase in UNE-P prices allowed by the FCC transition rules, and state activity to modify existing UNE rates has declined substantially. Since the decision by the FCC to end UNE-P in June 2004, UNE-P rates have increased 7.2% and unbundled loop rates have risen 3.5%. **Since the last survey in August 2005, the basic UNE-P price has increased by only 0.2%, from \$17.11 per month to \$17.15 per month. During the same period, the national average unbundled loop price has increased by 0.4%, from \$13.65 per month to \$13.70 per month.**⁽⁴⁾

State actions to review and modify UNE rates have declined significantly. Between August 2005 and March 2006, only two states changed UNE rates.⁽⁵⁾ Moreover, few states currently have ongoing proceedings concerning UNEs. As a result, it appears that there will be few UNE price changes in the near term. Although the use of UNE-P at TELRIC prices appears to have a limited future, individual UNE's - especially unbundled loops - will continue to play an important role in providing competitive telecommunications services to consumers. States will continue to have an oversight role in establishing prices for remaining individual UNEs.

Background

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.⁽⁶⁾ Under the Act and FCC regulations, states were empowered to arbitrate disputes between carriers concerning prices for

UNEs.⁽⁷⁾ Most states rendered initial UNE pricing decisions in the 1997-1998 time period. Subsequent FCC decisions on geographic de-averaging of UNE loop prices⁽⁸⁾ and Section 271 proceedings on RBOC requests to provide interLATA services resulted in reexamination of UNE rates in many states.

In order to compare the results 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, FCC and RBOC Web sites, supplemented with phone and e-mail contacts with state commission and phone company personnel.⁽⁹⁾ The survey has been conducted twice a year since then. The UNE prices presented in the survey are for the incumbent RBOC in each state, except where noted.⁽¹⁰⁾ The current survey has been updated to incorporate changes in UNE rates and end-user charges as of March 2006. Because of the end of UNE-P and the slowdown in state UNE activity, this will be the last survey update for the foreseeable future.

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.⁽¹¹⁾ Where a state has de-averaged loop prices into geographic zones, these zone prices are presented along with a statewide average loop price. States which have changed UNE rates since the last survey update, and the rates which were changed, are indicated in bold type on Table 1. This table also shows the number of access lines served by the RBOC in each state. These access line counts came from the latest Universal Service submission to the FCC by the National Exchange Carrier Association.⁽¹²⁾

State transport rates are 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 was typically limited to rates for tandem switching and common transport.

Table 1A presents the different UNE rates for loops and ports when these elements are combined, as in a UNE-P. These lower combination rates exist in most BellSouth states, and are used in the UNE-P comparisons presented on Table 2, Table 3 and Table 4.

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 basic UNE-P price.⁽¹³⁾ 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, or originating/terminating switching rates, the 1000 minutes were allocated 50/50. In states with day/evening/night switching rates, the 1000 minutes were allocated 50/30/20. In states with per call or set-up rates, it was assumed there were 100 calls per month.⁽¹⁴⁾

Table 2, Table 3 and Table 4 compare the total monthly basic UNE-P price in each state to three different benchmarks of the local market in that state. Table 2 compares the total monthly

UNE-P price in each state to the average monthly per line revenue in that state. The per line revenue is limited to local service revenues and end-user charges⁽¹⁵⁾ and is taken from the latest state revenue report included in the *FCC's Trends in Telephone Service*.⁽¹⁶⁾ In the last column for each state in Table 2, the total UNE-P price is expressed as a percentage of the average per line revenue in that state. In states with de-averaged loop or port prices, the percentage changes for each cost zone.

Table 3 compares the total monthly basic UNE-P 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 survey⁽¹⁷⁾ and adjusted for changes in monthly rates caused by changes in the subscriber line charge (SLC) and federal universal service fund (FUSF) surcharges effective March 1, 2006.⁽¹⁸⁾ In the last column on Table 3, the total UNE-P price is expressed as a percentage of the residential rate in that state.⁽¹⁹⁾

Table 4 compares the total monthly UNE-P 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⁽²⁰⁾ and adjusted for changes in the SLC and FUSF. The rates shown are generally monthly flat rates. However, in states which offer only measured service, the business rates shown combine the monthly line charge with the cost of 200, five-minute daytime calls. In the last column on Table 4, the total UNE-P price is expressed as a percentage of the business rate in that state.

Appendix 3, page 1, shows the derivation of basic UNE-P prices for the RBOC in each state using weighted average rates for loops, ports and switching, and assuming 1000 minutes of use per month.⁽²¹⁾ Page 1 also shows the weighted national average rate for each element. The weighting is based on the number of access lines served by each RBOC, as reported in the NECA Universal Service submission. Appendix 3, page 2, sorts the data for basic UNE-P shown on page 1 of Appendix 3, using assumed switching usage of both 1000 and 2000 minutes of use (MOU), and it also ranks stand-alone loop rates from Table 1. The average loop rates and basic UNE-P rates for the RBOC in each state are ranked from highest to lowest cost.

A listing of the national average UNE prices for loops, port, switching and UNE-P reported in each update of this UNE survey since January 2002 is set forth in Appendix 4, along with a graphic depiction of the changes in this price data. The rates for unbundled stand-alone loops and UNE-P generally moved together until February 2005 when the two trends diverged: UNE-P prices increased while UNE-Loop prices remained basically flat.

State commissions that change UNE prices - or anyone who detects erroneous information in any of the tables in this survey - are urged to contact Billy Jack Gregg at bjgregg@verizon.net or 304-562-3507.

Useful Websites

AT&T/BellSouth

AT&T/BellSouth Tariffs and Notifications

<http://cpr.bellsouth.com>

AT&T/BellSouth CLEC Contracts

http://cpr.bellsouth.com/clec/docs/all_states/index7.htm

AT&T Wholesale - Southeast Region

<http://wholesale.att.com/>

AT&T/BellSouth UNE Zones

http://wholesale.att.com/reference_library/become_a_clec/deaverage.html

AT&T/SBC

SBC Tariffs

<http://www.search.att.com/search/tariffs.jsp>

AT&T Regulatory and Legal Documents

<http://www.att.com/gen/public-affairs?pid=3181>

Qwest

Multi-State Negotiation Interconnection Agreement

<http://www.qwest.com/wholesale/clecs/sgatswireline.html>

Qwest Tariffs

http://tariffs.qwest.com:8000/Q_Tariffs/index.htm

Qwest SGATs

<http://www.qwest.com/about/policy/sgats>

Qwest UNE Zones

<http://www.qwest.com/wholesale/guides/geozone.html>

Verizon

Verizon Wholesale Resources

<http://www22.verizon.com/wholesale>

Verizon Tariffs

<http://www22.verizon.com/tariffs/>

Verizon UNE Zones

http://www22.verizon.com/wholesale/searchportal/index.jsp?datapath=http://www22.verizon.com/wholesale/&ip_text=density&category

Federal Communications Commission

Wireline Competition Bureau Statistical Reports

<http://www.fcc.gov/wcb/iatd/stats.html>

1. *In the Matter of Unbundled Access to Network Elements*, WC Docket No. 04-313, Order on Remand, FCC 04-290 (Feb. 4, 2005) ("*Order on Remand*").
2. The FCC Order, however, established certain restrictions on the availability of high-capacity interoffice transport elements. *Id.*
3. The FCC directed that during the twelve-month transition period ending March 2006, the default UNE-P price could be the higher of (a) the price under which the competitor leased the UNE-P existing on June 16, 2004, plus one dollar; or (b) the rate established by the state commission for UNE-P between June 16, 2004, and the effective date of the FCC Order. *Order on Remand*, ¶5.
4. However, even with recent price increases, UNE rates are generally lower than they were several years ago. As shown in Appendix 4, since January 2002 average loop rates have fallen 3.4%, from \$14.18 per month to \$13.70 per month, while UNE-P rates have fallen by 9.5%, from \$18.95 per month to \$17.15 per month. Within the UNE-P, switching costs have shown the biggest decline, dropping 56.4% since January 2002, from \$2.36 per month to \$1.03 per month for 1000 minutes of use. A large portion of the drop in switching costs results from states adopting port rates which include unlimited switching. In addition, most of the UNE-P price increases under the transition rules have been applied to the port rate.
5. Arkansas and California adopted different UNE rates for at least one unbundled network element. The average UNE rates in several other states - Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma and Texas - changed as a result of changes in the number of lines served in different UNE zones even though there was no change in state rates.
6. 47 USC 251.
7. 47 USC 252; 47 CFR §51.501 - 51.515.

8. 47 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 ¶120.

9. A listing of useful RBOC Web sites is set forth at the end of this report.

10. A list of acronyms used in the survey is presented in Appendix 1 at the end of the survey.

11. Switching and UNE-P rates shown are no longer available on a going-forward basis. These rates are set forth in this survey for historical purposes.

12. Universal Service 2005 Submission to FCC, National Exchange Carrier Association (Sept. 30, 2005), Table 6.

13. While 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 Appendix 3 and Tables 2 - 4 do not contain a cost for transport.**

14. Several parties have argued that the 1000 minutes of use (MOU) used in this survey for switching cost are too low to give an accurate measure of the cost of a basic UNE-P. It is pointed out that the national average monthly MOU is approximately 1400 MOU, and that several states have average MOU in excess of 2000 MOU per month. In order to present the impact of assuming a larger amount of switching usage, page 2 of Appendix 3 presents a ranking of the cost of basic UNE-P in the states based on both 1000 MOU and 2000 MOU. However, the UNE-P costs presented in Tables 2 - 4 continue to assume 1000 MOU.

15. While 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 B these other revenue sources were not included since costs to provide these other services were not considered in the survey.

16. Tables 7.2 and 15.7, Trends in Telephone Service, FCC Wireline Competition Bureau, IAD (June 2005).

17. Table 1.3, Reference Book of Rates, Price Indices and Household Expenditures for Telephone Service, FCC Wireline Competition Bureau, IAD (May 2005). Rates for RBOCs in twelve states were not included in the FCC's rate survey: Delaware, Idaho, Iowa, Kansas, Nevada, New Hampshire, North Dakota, Oklahoma, South Carolina, South Dakota, Vermont and Wyoming. Rates for these states were taken from local service tariffs, and include the applicable SLC and FUSF.

18. The ceiling for residential and single-line business SLCs was increased to \$6.50 per month on July 1, 2003, although 33 states have SLCs below the cap. The average SLC is \$5.71 per month. FUSFs charged by local carriers now average 584 per month, and are subject to quarterly adjustment. The FUSF surcharge and SLC for each company are shown in Appendix 2.

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

20. Table 1.10, Reference Book of Rates, Price Indices and Household Expenditures for Telephone Service, FCC Wireline Competition Bureau, IAD (May 2005).

21. The weightings are based on the number of access lines in each UNE zone.

UNBUNDLED NETWORK ELEMENT RATE COMPARISON MATRIX

All Rates for RBOC in each State Unless Otherwise Noted

Updated March 2006

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Alabama	BS	1	\$12.58	\$1.38	\$0.0007025	\$0.00010
		2	\$21.05			Tandem Switching
		3	\$34.34			\$0.0003224
1,774,375		Avg	\$17.60 *	\$3.36 w/ all features *		Common Transport
Alaska	ATU	1	\$18.64	\$4.27	\$0.006595	\$0.004712
151,826						Tandem Switching
						\$0.000416
						Termination
	ACS	1	\$19.19	\$1.38	\$0.00203	\$0.00155
37,475						Tandem Switching
						\$0.00023
						Common Transport
Arizona	QW	1	\$9.05	\$1.61	\$0.0009695	\$0.000550
		2	\$14.84			Tandem Switching
		3	\$36.44			\$0.0008236
2,365,023		Avg	\$12.12			Common Transport
Arkansas	SBC	3	\$16.00	\$2.61	\$0.001310	\$0.000789
		2	\$18.70		\$0.001690	Tandem Switching
		1	\$22.02		\$0.002530	\$0.000157-\$0.000196
919,866		Avg	\$17.21		\$0.001507	Common Transport
California	SBC	1	\$9.48	\$4.29	Included in port rate	\$0.000453
		2	\$12.79			Tandem Switching
		3	\$26.43			\$0.001249
16,509,867		Avg	\$11.73			Common Transport
Colorado	QW	1	\$5.91	\$1.15	\$0.00161	\$0.00069
		2	\$12.31	w/all features		Tandem Switching
		3	\$32.74			\$0.00111
2,468,886		Avg	\$15.85			Common Transport

*Stand-alone rates. Loop and port combination rates used in UNE-P shown on Table 1A.

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Connecticut 2,110,570	SBC		\$14.41 Statewide Rate	\$0.00 Included in switching rate	\$0.007360 On-Net** \$0.003576 Off-Net	\$0.006110 Tandem Switching Off-net
D.C. *** 791,292	VZ	1	\$8.49	\$1.55	\$0.00300	\$0.002532 Tandem Switching \$0.000405 fixed \$0.000005 per mile Common Transport
Delaware 546,439	VZ	1 2 3 Avg	\$10.07 \$13.13 \$16.67 \$12.03	\$2.23	\$0.002507 Originating \$0.001330 Terminating	\$0.0006688 Tandem Switching \$0.0001221 fixed \$0.000002 per mile Common Transport
Florida 6,063,101	BS	1 2 3 Avg	\$10.69 \$15.20 \$26.97 \$15.27 *	\$1.40 \$3.66 w/all features *	\$0.0007662	\$0.0001319 Tandem Switching \$0.0004372 Common Transport
Georgia 3,727,530	BS	1 2 3 Avg	\$10.51 \$15.85 \$31.97 \$13.70 *	\$1.09 \$1.87 w/all features *	\$0.0006153	\$0.0000972 Tandem Switching \$0.0001914 Common Transport
Hawaii 664,194	HI	Oahu Maui Hawaii	\$10.44 \$17.23 \$21.91	\$2.69	\$0.0076074	\$0.0012572 Tandem Switching \$0.0002710 Common Transport
Idaho 514,983	QW	1 2 3 Avg	\$15.65 \$23.76 \$40.50 \$20.21	\$1.34 \$4.76 w/all features	\$0.001343	\$0.00069 Tandem Switching \$0.00111 Common Transport

*Stand-alone rates. Loop and port combination rates used in UNE-P shown on Table 1A.

** On-Net rate charged only on originating minutes.

*** Rates currently available per 271 agreement.

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Illinois 6,183,446	SBC	A B C Avg	\$5.17 \$12.40 \$14.91 \$13.42	\$3.18	Included in port rate	\$0.000215 Tandem Switching \$0.000304 Common Transport
Indiana 2,143,137	SBC	3 2 1 Avg	\$12.00 \$12.50 \$11.50 \$11.96	\$4.08	Included in port rate	\$0.000295 Tandem Switching \$0.000513 Common Transport
Iowa 985,834	QW	1 2 3 Avg	\$12.69 \$15.14 \$26.39 \$15.94	\$1.15	\$0.001558	\$0.00069 Tandem Switching \$0.00111 Common Transport
Kansas 1,133,026	SBC	3 2 1 Avg	\$11.86 \$13.64 \$23.34 \$13.53	\$2.61	\$0.00131 \$0.00169 \$0.00253 \$0.001517	\$0.000789 Tandem Switching \$0.000157-\$0.000196 Common Transport
Kentucky 1,091,285	BS	1 2 3 Avg	\$10.56 \$15.34 \$31.11 \$18.04 *	\$1.49 *	\$0.001197	\$0.0001940 Tandem Switching \$0.0007466 Common Transport
Louisiana 2,080,847	BS	1 2 3 Avg	\$12.90 \$23.33 \$48.43 \$17.30 *	\$1.52 *	\$0.001868	\$0.0001067 Tandem Switching \$0.0003748 Common Transport
Maine 662,838	VZ	1 2 3 Avg	\$11.44 \$13.47 \$18.75 \$16.18	\$0.94	\$0.00168	\$0.001221 Tandem Switching \$0.001940 Day \$0.000322 Eve \$0.000000 Night & Weekend Common Transport

*Stand-alone rates. Loop and port combination rates used in UNE-P shown on Table 1A.

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Maryland	VZ	A1 A2 B1 B2	\$10.13 \$10.18 \$21.92 \$14.45	\$1.41	\$0.001325 Originating \$0.001162 Terminating	\$0.000248 Tandem Switching \$0.001341 Common Transport
3,598,762		Avg	\$12.00			
Massachusetts	VZ	1 2 3 4	\$10.81 \$11.37 \$15.41 \$24.32	\$2.22	\$0.000825 Originating \$0.000724 Terminating	\$0.000043 Tandem Switching \$0.000268 Common Transport
3,775,033		Avg	\$13.93			
Michigan	SBC	A B C	\$9.13 \$10.77 \$14.20	\$4.46	Included in port rate	\$0.000198 Tandem Switching \$0.00083 Common Transport
4,732,342		Avg	\$11.76			
Minnesota	QW	1 2 3 4	\$5.83 \$8.95 \$10.62 \$15.66	\$3.12 w/all features	Included in port rate	\$0.00112 Tandem Switching \$0.000613 Common Transport
1,887,050		Avg	\$12.86			
Mississippi	BS	1 2 3 4	\$12.03 \$16.87 \$25.68 \$43.85	\$1.41	\$0.0010269	\$0.0001723 Tandem Switching \$0.0004541 Common Transport
1,232,062		Avg	\$23.12 *	\$3.97 w/all features *		
Missouri	SBC	1 2 3 4	\$12.71 \$18.64 \$19.74 \$16.41	\$2.74 \$2.97 \$3.47 \$3.25	\$0.001620 \$0.001949 \$0.002807 \$0.002391	\$0.001231 Tandem Switching \$0.000132 - \$0.000246 Common Transport
2,362,597		Avg	\$15.76	\$2.96	\$0.001953	
Montana	QW	1 2 3 4	\$23.10 \$23.90 \$27.13 \$29.29	\$1.58	\$0.001574	\$0.000690 Tandem Switching \$0.001110 Common Transport
332,734		Avg	\$23.98			

*Stand-alone rates. Loop and port combination rates used in UNE-P shown on Table 1A.

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Nebraska 367,505	QW	1 2 3 Avg	\$12.14 \$28.11 \$62.50 \$17.51	\$2.47	\$0.00126	\$0.00069 Tandem Switching \$0.001110 Common Transport
Nevada 366,617	SBC	1 2 3 Avg	\$11.77 \$22.64 \$66.25 \$21.45	\$2.63	\$0.00161	\$0.00171 Tandem Switching \$0.00727 Common Transport
New Hampshire 697,781	VZ	1 2 3 Avg	\$11.97 \$16.04 \$25.00 \$16.21	\$0.71	\$0.002425 Day \$0.003199 Eve \$0.001343 Night	\$0.000737-\$0.000684 Tandem Switching \$0.000328-\$0.000565 Common Transport
New Jersey 5,764,974	VZ	1 2 3 Avg	\$8.81 \$10.42 \$11.82 \$10.32	\$2.72	\$0.001399 Originating \$0.001364 Terminating	\$0.000772 Tandem Switching \$0.000093 Fixed \$0.0000006 per mile Common Transport
New Mexico 794,410	QW	1 2 3 Avg	\$16.27 \$20.86 \$30.85 \$21.62	\$2.06 \$10.96 w/all features	0.002518	0.000853 Tandem Switching \$0.0012730 Common Transport
New York 10,176,986	VZ	1 2 3 Avg	\$7.70 \$11.31 \$15.51 \$11.49	\$4.57 *	\$0.001147 Originating \$0.00111 Terminating	\$0.000481 Tandem Switching \$0.000203 Common Transport
North Carolina 2,246,305	BS	1 2 3 Avg	\$10.82 \$16.21 \$24.08 \$12.42	\$2.19 **	\$0.001500	\$0.0006 Tandem Switching \$0.00034 Common Transport
North Dakota 179,077	QW	1 2 3 Avg	\$14.53 \$24.49 \$55.47 \$16.71	\$2.58 \$6.35 w/all features	\$0.001475	\$0.00069 Tandem Switching \$0.001110 Common Transport

*Stand-alone rates. Loop and port combination rates used in UNE-P shown on Table 1A.

**Rate no longer available in new agreements

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Ohio 3,721,182	SBC	B C D Avg	\$9.46 \$12.52 \$13.65 \$12.64	\$5.61	\$0.000779	\$0.000213 Tandem Switching \$0.000629 Common Transport
Oklahoma 1,384,536	SBC	3 2 1 Avg	\$12.14 \$13.65 \$26.25 \$16.08	\$3.18 \$3.21 \$3.58 \$3.29	\$0.002268 \$0.002516 \$0.003800 \$0.002708	\$0.000956 Tandem Switching \$0.000266 - \$0.000499 Common Transport
Oregon 1,255,243	QW	1 2 3 Avg	\$13.95 \$25.20 \$56.21 \$15.00	\$1.14	\$0.0013301	\$0.00069 Tandem Switching \$0.001040 Common Transport
Pennsylvania 5,435,861	VZ	1 2 3 4 Avg	\$6.77 \$9.25 \$12.39 \$22.39 \$13.76	\$1.68 \$1.91 w/ all features	\$0.001373 Originating \$0.001175 Terminating	\$0.000120 Tandem Switching \$0.000206 fixed \$0.000010 per mile Common Transport
Rhode Island 491,107	VZ	1 2 3 Avg	\$11.19 \$15.44 \$19.13 \$13.93	\$1.86	\$0.001358 Originating \$0.001192 Terminating	\$0.000274 Tandem Switching \$0.000291 Common Transport
South Carolina 1,368,409	BS	1 2 3 Avg	\$14.94 \$21.39 \$26.72 \$17.60 *	\$1.65 \$4.69 w/ all features *	\$0.0010519	\$0.0001634 Tandem Switching \$0.0004095 Common Transport
South Dakota 201,450	QW	1 2 3 Avg	\$15.20 \$16.56 \$21.77 \$18.84	\$1.84	\$0.000702	\$0.000690 Tandem Switching \$0.00138786 Common Transport
Tennessee 2,395,844	BS	1 2 3 Avg	\$11.74 \$17.59 \$29.37 \$14.92 *	\$1.89 *	\$0.0008041	\$0.0009778 Tandem Switching \$0.00038 Common Transport

*Stand-alone rates. Loop and port combination rates used in UNE-P shown on Table 1A.

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Texas 8,778,111	SBC	3	\$12.14	\$2.58	\$0.0014244	\$0.000794
		2	\$13.65	\$3.47	\$0.0012691	Tandem Switching
		1	\$18.98	\$4.05	\$0.0011973	\$0.000123-\$0.000144
				\$5.21	\$0.0021160	Common Transport
		Avg	\$14.32	\$3.22	\$0.0014386	
Utah 964,276	QW	Urban	\$11.33	\$3.56	\$0.001427	\$0.000671-\$0.000694
		Sub	\$12.22	Port rate	\$0.001654	Tandem Switching
		Rural	\$19.57	includes	\$0.001798	\$0.001039
		Avg	\$12.97	unlimited switching	Standalone rates	Common Transport
Vermont 342,946	VZ	1	\$7.72	\$1.03	\$0.004003	\$0.000921
		2	\$8.35			Tandem Switching
		3	\$21.63			\$0.000630
		Avg	\$14.41			Common Transport
Virginia 3,153,885	VZ	1	\$10.74	\$1.30	\$0.002643	\$0.000548
		2	\$16.45		Originating	Tandem Switching
		3	\$29.40		\$0.001331	\$0.000114
		Avg	\$13.76		Terminating	Common Transport
Washington 2,248,631	QW	1	\$11.26	\$1.34	\$0.001178	\$0.00069
		2	\$13.63			Tandem Switching
		3	\$16.92			\$0.000760
		4	\$28.23			Common Transport
		5	\$67.77			
		Avg	\$16.90			
West Virginia 808,623	VZ	1	\$14.49	\$1.60	\$0.002586	\$0.0002394
		2	\$22.04		Originating	Tandem Switching
		3	\$35.00		\$0.002505	\$0.00067
		4	\$43.44		Terminating	Common Transport
		Avg	\$20.41			
Wisconsin 1,848,578	SBC	A	\$11.53	\$3.83	Included in port rate	\$0.000229
		B	\$13.17			Tandem Switching
		C	\$15.86			\$0.000485
		Avg.	\$12.25			Common Transport

Table 1

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Wyoming	QW	BRA	\$19.91	\$2.64	\$0.000920	\$0.000690
		1	\$26.94			Tandem Switching
		2	\$30.13			\$0.001110
		3	\$40.98			Common Transport
		Avg	\$23.39			
244,238						

Note: Access line data from NECA USF submission dated September 30, 2005

UNE COMBINATION RATES

Rates Effective When Used As Part of Loop/Port Combination or UNE-P

Updated March 2006

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
Alabama	BS	1	\$11.55	\$1.15	\$0.0007025	\$0.00010
		2	\$20.04			Tandem Switching
		3	\$33.65			\$0.00032
1,774,375		Avg	\$16.66	\$3.13 w/ all features		Common Transport
Florida	BS	1	\$9.77	\$1.17	\$0.000766	\$0.0001319
		2	\$13.88			Tandem Switching
		3	\$24.63			\$0.0004372
6,063,101		Avg	\$13.95	\$3.43 w/ all features		Termination
Georgia	BS	1	\$9.56	\$0.9019	\$0.000615	\$0.0000972
		2	\$14.86			Tandem Switching
		3	\$31.66			\$0.0001914
3,727,530		Avg	\$12.82	\$1.68 w/ all features		Common Transport
Kentucky	BS	1	\$9.64	\$1.15	\$0.001197	\$0.000194
		2	\$14.37			Tandem Switching
		3	\$30.59			\$0.0007466
1,091,285		Avg	\$17.26			Common Transport
Louisiana	BS	1	\$11.77	\$1.36	\$0.001868	\$0.0001067
		2	\$22.39			Tandem Switching
		3	\$48.26			\$0.0003748
2,080,847		Avg	\$16.24			Common Transport
Mississippi	BS	1	\$10.99	\$1.23	\$0.0010269	\$0.0001723
		2	\$15.90			Tandem Switching
		3	\$25.03			\$0.0004541
		4	\$43.68			Common Transport
1,232,062		Avg	\$22.37	\$3.79 w/ all features		
New York	VZ	1	\$7.70	\$2.57	\$0.001147	\$0.000481
		2	\$11.31		Originating	Tandem Switching
		3	\$15.51		\$0.001111	\$0.000203
10,176,986		Avg	\$11.49		Terminating	Common Transport

Updated March 2006

State Access Lines	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per MOU)	Tandem Switching and Transport (per MOU)
South Carolina 1,368,409	BS	1	\$13.76	\$1.13	\$0.0010519	\$0.0001634
		2	\$20.38			Tandem Switching
		3	\$26.04			\$0.0004095
				\$4.17		Common Transport
		Avg	\$16.51	w/ all features		
Tennessee 2,395,844	BS	1	\$11.11	\$1.70	\$0.0008041	\$0.0009778
		2	\$16.65			Tandem Switching
		3	\$27.80			\$0.0003871
						Common Transport
		Avg	\$14.12			
Washington 2,248,631	QW	1	\$11.07	\$1.34	\$0.001178	\$0.00069
		2	\$13.44			Tandem Switching
		3	\$16.73			\$0.000760
		4	\$28.04			Common Transport
		5	\$67.58			
		Avg	\$16.71			

Note: Access line data from NECA USF submission to FCC, dated September 30, 2005

UNE RATE/REVENUE COMPARISON MATRIX

All Rates for RBOC in each State Unless Otherwise Noted

Updated March 2006

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	\$11.55	\$1.15	\$0.70	\$13.40	\$52.84	25.4%
		2	\$20.04			\$21.89		41.4%
		3	\$33.65			\$35.50		67.2%
		Avg	\$16.66					
Alaska	ATU	1	\$18.64	\$4.27	\$6.60	\$29.51	n/a	n/a
	ACS	1	\$19.19	\$1.38	\$2.03	\$22.60		
Arizona	QW	1	\$9.05	\$1.61	\$0.97	\$11.63	\$42.84	27.1%
		2	\$14.84			\$17.42		40.7%
		3	\$36.44			\$39.02		91.1%
		Avg	\$12.12					
Arkansas	SBC	3	\$16.00	\$2.61	\$1.31	\$19.92	\$46.09	43.2%
		2	\$18.70		\$1.69	\$23.00		49.9%
		1	\$22.02		\$2.53	\$27.16		58.9%
		Avg	\$17.21		\$1.51			
California	SBC	1	\$9.48	\$4.29 Port rate includes unlimited switching	\$0.00	\$13.77	\$32.92	41.8%
		2	\$12.79			\$17.08		51.9%
		3	\$26.43			\$30.72		93.3%
		Avg	\$11.73					
Colorado	QW	1	\$5.91	\$1.15	\$1.61	\$8.67	\$55.22	15.7%
		2	\$12.31			\$15.07		27.3%
		3	\$32.74			\$35.50		64.3%
		Avg	\$15.85					
Connecticut	SBC	1	\$14.41	\$0.00 Included in switching	\$6.41	\$20.82	\$39.68	52.5%
D.C.	VZ	1	\$8.49	\$1.55	\$3.00	\$13.04	\$37.62	34.7%

* Assumes MOU 75% On-Net, 25% Off-Net

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Revenue/line (per Month)	Percentage
Delaware	VZ	1	\$10.07	\$2.23	\$1.92	\$14.22	\$36.46	39.0%
		2	\$13.13			\$17.28		47.4%
		3	\$16.67			\$20.82		57.1%
		Avg	\$12.03					
Florida	BS	1	\$9.77	\$1.17	\$0.77	\$11.71	\$41.16	28.4%
		2	\$13.88			\$15.82		38.4%
		3	\$24.63			\$26.57		64.6%
		Avg	\$13.95					
Georgia	BS	1	\$9.56	\$0.90	\$0.61	\$11.07	\$54.31	20.4%
		2	\$14.86			\$16.37		30.1%
		3	\$31.66			\$33.17		61.1%
		Avg	\$12.82					
Hawaii	HI	Oahu	\$10.44	\$2.69	\$7.61	\$20.74	\$44.73	46.4%
		Maui	\$17.23			\$27.53		61.5%
		Hawaii	\$21.91			\$32.21		72.0%
Idaho	QW	1	\$15.65	\$1.34	\$1.34	\$18.33	\$42.55	43.1%
		2	\$23.76			\$26.44		62.1%
		3	\$40.50			\$43.18		101.5%
		Avg	\$20.21					
Illinois	SBC	A	\$5.17	\$3.18 Port rate includes unlimited switching	\$0.00	\$8.35	\$35.78	23.3%
		B	\$12.40			\$15.58		43.5%
		C	\$14.91			\$18.09		50.6%
		Avg	\$13.42					
Indiana	SBC	3	\$12.00	\$4.08 Port rate includes unlimited switching	\$0.00	\$16.08	\$39.48	40.7%
		2	\$12.50			\$16.58		42.0%
		1	\$11.50			\$15.58		39.5%
		Avg	\$11.96					
Iowa	QW	1	\$12.69	\$1.15	\$1.56	\$15.40	\$36.25	42.5%
		2	\$15.14			\$17.85		49.2%
		3	\$26.39			\$29.10		80.3%
		Avg	\$15.94					

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Revenue/line (per Month)	Percentage
Kansas	SBC	3	\$11.86	\$2.61	\$1.31	\$15.78	\$42.66	37.0%
		2	\$13.64		\$1.69	\$17.94		42.1%
		1	\$23.34		\$2.53	\$28.48		66.8%
		Avg	\$13.53		\$1.51			
Kentucky	BS	1	\$9.64	\$1.15	\$1.20	\$11.99	\$45.90	26.1%
		2	\$14.37			\$16.72		36.4%
		3	\$30.59			\$32.94		71.8%
		Avg	\$17.26					
Louisiana	BS	1	\$11.77	\$1.36	\$1.87	\$15.00	\$54.62	27.5%
		2	\$22.39			\$25.62		46.9%
		3	\$48.26			\$51.49		94.3%
		Avg	\$16.24					
Maine	VZ	1	\$11.44	\$0.94	\$1.68	\$14.06	\$40.67	34.6%
		2	\$13.47			\$16.09		39.6%
		3	\$18.75			\$21.37		52.5%
		Avg	\$16.18					
Maryland	VZ	A1	\$10.13	\$1.41	\$1.24	\$12.78	\$39.76	32.1%
		A2	\$10.18			\$12.83		32.3%
		B1	\$21.92			\$24.57		61.8%
		B2	\$14.45			\$17.10		43.0%
		Avg	\$12.00					
Massachusetts	VZ	1	\$10.81	\$2.22	\$0.77	\$13.80	\$36.46	37.8%
		2	\$11.37			\$14.36		39.4%
		3	\$15.41			\$18.40		50.5%
		4	\$24.32			\$27.31		74.9%
		Avg	\$13.93					
Michigan	SBC	A	\$9.13	\$4.46 Port rate includes unlimited switching	\$0.00	\$13.59	\$34.42	39.5%
		B	\$10.77			\$15.23		44.2%
		C	\$14.20			\$18.66		54.2%
		Avg	\$11.76					
Minnesota	QW	1	\$5.83	\$3.12 Port rate includes unlimited switching	\$0.00	\$8.95	\$39.79	22.5%
		2	\$8.95			\$12.07		30.3%
		3	\$10.62			\$13.74		34.5%
		4	\$15.66			\$18.78		47.2%
		Avg	\$12.86					

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Revenue/line (per Month)	Percentage
Mississippi	BS	1	\$10.99	\$1.23	\$1.03	\$13.25	\$66.98	19.8%
		2	\$15.90			\$18.16		27.1%
		3	\$25.03			\$27.29		40.7%
		4	\$43.68			\$45.94		68.6%
		Avg	\$22.37					
Missouri	SBC	1	\$12.71	\$2.74	\$1.62	\$17.07	\$39.75	42.9%
		2	\$18.64			\$23.56		59.3%
		3	\$19.74			\$26.02		65.5%
		4	\$16.41			\$22.05		55.5%
		Avg	\$15.76			\$1.95		
Montana	QW	1	\$23.10	\$1.58	\$1.57	\$26.25	\$44.73	58.7%
		2	\$23.90			\$27.05		60.5%
		3	\$27.13			\$30.28		67.7%
		4	\$29.29			\$32.44		72.5%
		Avg	\$23.98					
Nebraska	QW	1	\$12.14	\$2.47	\$1.26	\$15.87	\$53.96	29.4%
		2	\$28.11			\$31.84		59.0%
		3	\$62.50			\$66.23		122.7%
		Avg	\$17.51					
Nevada	SBC	1	\$11.77	\$2.63	\$1.61	\$16.01	\$35.51	45.1%
		2	\$22.64			\$26.88		75.7%
		3	\$66.25			\$70.49		198.5%
		Avg	\$21.45					
New Hampshire	VZ	1	\$11.97	\$0.71	\$2.44	\$15.12	\$35.37	42.7%
		2	\$16.04			\$19.19		54.3%
		3	\$25.00			\$28.15		79.6%
		Avg	\$16.21					
New Jersey	VZ	1	\$8.81	\$2.72	\$2.76	\$14.29	\$31.57	45.3%
		2	\$10.42			\$15.90		50.4%
		3	\$11.82			\$17.30		54.8%
		Avg	\$10.32					

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Revenue/line (per Month)	Percentage
New Mexico	QW	1	\$16.27	\$2.06	\$2.52	\$20.85	\$42.67	48.9%
		2	\$20.86			\$25.44		59.6%
		3	\$30.85			\$35.43		83.0%
		Avg	\$21.62					
New York	VZ	1	\$7.70	\$2.57	\$1.13	\$11.40	\$45.24	25.2%
		2	\$11.31			\$15.01		33.2%
		3	\$15.51			\$19.21		42.5%
		Avg	\$11.49					
North Carolina	BS	1	\$10.82	\$2.19	\$1.50	\$14.51	\$45.62	31.8%
		2	\$16.21			\$19.90		43.6%
		3	\$24.08			\$27.77		60.9%
		Avg	\$12.42					
North Dakota	QW	1	\$14.53	\$2.58	\$1.48	\$18.59	\$45.59	40.8%
		2	\$24.49			\$28.55		62.6%
		3	\$55.47			\$59.53		130.6%
		Avg	\$16.71					
Ohio	SBC	B	\$9.46	\$5.61	\$0.78	\$15.85	\$40.97	38.7%
		C	\$12.52			\$18.91		46.2%
		D	\$13.65			\$20.04		48.9%
		Avg	\$12.64					
Oklahoma	SBC	3	\$12.14	\$3.18	\$2.27	\$17.59	\$43.06	40.8%
		2	\$13.65	\$3.21	\$2.52	\$19.38		45.0%
		1	\$26.25	\$3.58	\$3.80	\$33.63		78.1%
		Avg	\$16.08	\$3.29	\$2.71			
Oregon	QW	1	\$13.95	\$1.14	\$1.33	\$16.42	\$40.81	40.2%
		2	\$25.20			\$27.67		67.8%
		3	\$56.21			\$58.68		143.8%
		Avg	\$15.00					
Pennsylvania	VZ	1	\$6.77	\$1.68	\$2.55	\$11.00	\$33.56	32.8%
		2	\$9.25			\$13.48		40.2%
		3	\$12.39			\$16.62		49.5%
		4	\$22.39			\$26.62		79.3%
		Avg	\$13.76					

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Revenue/line (per Month)	Percentage
Rhode Island	VZ	1	\$11.19	\$1.86	\$1.28	\$14.33	\$35.12	40.8%
		2	\$15.44			\$18.58		52.9%
		3	\$19.13			\$22.27		63.4%
		Avg	\$13.93					
South Carolina	BS	1	\$13.76	\$1.13	\$1.05	\$15.94	\$53.78	29.6%
		2	\$20.38			\$22.56		41.9%
		3	\$26.04			\$28.22		52.5%
		Avg	\$16.51					
South Dakota	QW	1	\$15.20	\$1.84	\$0.70	\$17.74	\$41.75	42.5%
		2	\$16.56			\$19.10		45.7%
		3	\$21.77			\$24.31		58.2%
		Avg	\$18.84					
Tennessee	BS	1	\$11.11	\$1.70	\$0.80	\$13.61	\$49.25	27.6%
		2	\$16.65			\$19.15		38.9%
		3	\$27.80			\$30.30		61.5%
		Avg	\$14.12					
Texas	SBC	3	\$12.14	\$2.58	\$1.42	\$16.14	\$46.02	35.1%
		2	\$13.65	\$3.47	\$1.20	\$18.54		40.3%
		1	\$18.98	\$5.21	\$2.12	\$25.61		55.6%
		Avg	\$14.32	\$3.22	\$1.44			
Utah	QW	1	\$11.33	\$3.56 Port rate includes unlimited switching	\$0.00	\$14.89	\$44.36	33.6%
		2	\$12.22			\$15.78		35.6%
		3	\$19.57			\$23.13		52.1%
		Avg	\$12.97					
Vermont	VZ	1	\$7.72	\$1.03	\$4.00	\$12.75	\$43.84	29.1%
		2	\$8.35			\$13.38		30.5%
		3	\$21.63			\$26.66		60.8%
		Avg	\$14.41					
Virginia	VZ	1	\$10.74	\$1.30	\$1.99	\$14.03	\$39.81	35.2%
		2	\$16.45			\$19.74		49.6%
		3	\$29.40			\$32.69		82.1%
		Avg	\$13.76					

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Revenue/line (per Month)	Percentage
Washington	QW	1	\$11.07	\$1.34	\$1.18	\$13.59	\$40.48	33.6%
		2	\$13.44			\$15.96		39.4%
		3	\$16.73			\$19.25		47.6%
		4	\$28.04			\$30.56		75.5%
		5	\$67.58			\$70.10		173.2%
		Avg	\$16.71					
West Virginia	VZ	1	\$14.49	\$1.60	\$2.55	\$18.64	\$48.93	38.1%
		2	\$22.04			\$26.19		53.5%
		3	\$35.00			\$39.15		80.0%
		4	\$43.44			\$47.59		97.3%
		Avg	\$20.41					
Wisconsin	SBC	A	\$11.53	\$3.83 Port rate includes unlimited switching	n/a	\$15.36	\$40.32	38.1%
		B	\$13.17			\$17.00		42.2%
		C	\$15.86			\$19.69		48.8%
		Avg.	\$12.25					
Wyoming	QW	BRA	\$19.91	\$2.64	\$0.92	\$23.47	\$50.64	46.3%
		1	\$26.94			\$30.50		60.2%
		2	\$30.13			\$33.69		66.5%
		3	\$40.98			\$44.54		88.0%
		Avg	\$23.39					

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. In states with per call or set up rates, it was assumed there were 100 calls per month.
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 is taken from the FCC's Trends in Telephone Service, June 2005, Tables 7.2 and 15.7. The revenue per line is an average of all incumbent local exchange and subscriber line charge revenue, business and residence.
4. The Percentage column is the Total Cost column divided by Average Revenue/line.

UNE RATE/RESIDENTIAL RATE COMPARISON MATRIX

All Rates for RBOC in each State Unless Otherwise Noted

Updated March 2006

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	\$11.55	\$1.15	\$0.73	\$13.43	\$26.89	49.9%
		2	\$20.04			\$21.92		81.5%
		3	\$33.65			\$35.53		132.1%
		Avg	\$16.66					
Alaska	ATU	1	\$18.64	\$4.27	\$6.60	\$29.51	\$21.71	135.9%
Arizona	QW	1	\$9.05	\$1.61	\$0.97	\$11.63	\$22.54	51.6%
		2	\$14.84			\$17.42		77.3%
		3	\$36.44			\$39.02		173.1%
		Avg	\$12.12					
Arkansas	SBC	3	\$16.00	\$2.61	\$1.31	\$19.92	\$27.62	72.1%
		2	\$18.70		\$1.69	\$23.00		83.3%
		1	\$22.02		\$2.53	\$27.16		98.3%
		Avg	\$17.21		\$1.51			
California	SBC	1	\$9.48	\$4.29 Port rate includes unlimited switching	\$0.00	\$13.77	\$16.03	85.9%
		2	\$12.79			\$17.08		106.6%
		3	\$26.43			\$30.72		191.6%
		Avg	\$11.73					
Colorado	QW	1	\$5.91	\$1.15	\$1.61	\$8.67	\$25.72	33.7%
		2	\$12.31			\$15.07		58.6%
		3	\$32.74			\$35.50		138.0%
		Avg	\$15.85					
Connecticut	SBC	1A	\$14.41	\$0.00 included in switching	\$6.41	\$15.84	\$21.14	74.9%
D.C.	VZ	1	\$8.49	\$1.55	\$3.00	\$13.04	\$21.52	60.6%

* Assumes MOU 75% On-Net, 25% Off-Net

Table 3

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Residential Rate (per Month)	Percentage
Delaware	VZ	1	\$10.07	\$2.23	\$1.92	\$14.22	\$18.13	78.4%
		2	\$13.13			\$17.28	\$18.13	95.3%
		3	\$16.67			\$20.82	\$18.79	110.8%
		Avg	\$12.03					
Florida	BS	1	\$9.77	\$1.17	\$0.77	\$11.71	\$21.19	55.3%
		2	\$13.88			\$15.82		74.7%
		3	\$24.63			\$26.57		125.4%
		Avg	\$13.95					
Georgia	BS	1	\$9.56	\$0.90	\$0.62	\$11.08	\$28.95	38.3%
		2	\$14.86			\$16.38		56.6%
		3	\$31.66			\$33.18		114.6%
		Avg	\$12.82					
Hawaii	HI	Oahu	\$10.44	\$2.69	\$7.61	\$20.74	\$26.33	78.8%
		Maui	\$17.23			\$27.53		104.6%
		Hawaii	\$21.91			\$32.21		122.3%
Idaho	QW	1	\$15.65	\$1.34	\$1.34	\$18.33	\$24.48	74.9%
		2	\$23.76			\$26.44		108.0%
		3	\$40.50			\$43.18		176.4%
		Avg	\$20.21					
Illinois	SBC	A	\$5.17	\$3.18 Port rate includes unlimited switching	\$0.00	\$8.35	\$21.82	38.3%
		B	\$12.40			\$15.58		71.4%
		C	\$14.91			\$18.09		82.9%
		Avg	\$13.42					
Indiana	SBC	3	\$12.00	\$4.08 Port rate includes unlimited switching	\$0.00	\$16.08	\$19.79	81.3%
		2	\$12.50			\$16.58		83.8%
		1	\$11.50			\$15.58		78.7%
		Avg	\$11.96					

Table 3

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Residential Rate (per Month)	Percentage
Iowa	QW	1	\$12.69	\$1.15	\$1.56	\$15.40	\$17.95	85.8%
		2	\$15.14			\$17.85	\$16.98	105.1%
		3	\$26.39			\$29.10	\$16.01	181.8%
		Avg	\$15.94					
Kansas	SBC	3	\$11.86	\$2.61	\$1.31	\$15.78	\$19.74	79.9%
		2	\$13.64			\$17.94		90.9%
		1	\$23.34			\$28.48		144.3%
		Avg	\$13.53			\$1.51		
Kentucky	BS	1	\$9.64	\$1.15	\$1.20	\$11.99	\$28.92	41.5%
		2	\$14.37			\$16.72		57.8%
		3	\$30.59			\$32.94		113.9%
		Avg	\$17.26					
Louisiana	BS	1	\$11.77	\$1.36	\$1.87	\$15.00	\$23.33	64.3%
		2	\$22.39			\$25.62		109.8%
		3	\$48.26			\$51.49		220.7%
		Avg	\$16.24					
Maine	VZ	1	\$11.44	\$0.94	\$1.68	\$14.06	\$27.39	51.3%
		2	\$13.47			\$16.09		58.7%
		3	\$18.75			\$21.37		78.0%
		Avg	\$16.18					
Maryland	VZ	A1	\$10.13	\$1.41	\$1.24	\$12.78	\$28.02	45.6%
		A2	\$10.18			\$12.83		45.8%
		B1	\$21.92			\$24.57		87.7%
		B2	\$14.45			\$17.10		61.0%
		Avg	\$12.00					
Massachusetts	VZ	1	\$10.81	\$2.22	\$0.77	\$13.80	\$29.99	46.0%
		2	\$11.37			\$14.36		47.9%
		3	\$15.41			\$18.40		61.4%
		4	\$24.32			\$27.31		91.1%
		Avg	\$13.93					

Table 3

Updated March 2006

Updated March 2000

		Density	Loop	Port	Switching	Total	Average	
State	Company	Zones	Rate	Rate	(per Month)	Cost	Residential Rate	Percentage
Michigan	SBC	A	\$9.13	\$4.46	\$0.00	\$13.59	\$27.51	49.4%
		B	\$10.77	Port rate includes unlimited switching		\$15.23		55.4%
		C	\$14.20			\$18.66		67.8%
		Avg	\$11.76					
Minnesota	QW	1	\$5.83	\$3.12	\$0.00	\$8.95	\$22.57	39.7%
		2	\$8.95	Port rate includes unlimited switching		\$12.07		53.5%
		3	\$10.62			\$13.74		60.9%
		4	\$15.66			\$18.78		83.2%
		Avg	\$12.86					
Mississippi	BS	1	\$10.99	\$1.23	\$1.03	\$13.25	\$28.78	46.0%
		2	\$15.90			\$18.16		63.1%
		3	\$25.03			\$27.29		94.8%
		4	\$43.68			\$45.94		159.6%
		Avg	\$22.37					
Missouri	SBC	1	\$12.71	\$2.74	\$1.62	\$17.07	\$20.32	84.0%
		2	\$18.64	\$2.97	\$1.95	\$23.56		115.9%
		3	\$19.74	\$3.47	\$2.81	\$26.02		128.1%
		4	\$16.41	\$3.25	\$2.39	\$22.05		108.5%
		Avg	\$15.76	\$2.96	\$1.95			
Montana	QW	1	\$23.10	\$1.58	\$1.57	\$26.25	\$26.12	100.5%
		2	\$23.90			\$27.05		103.6%
		3	\$27.13			\$30.28		115.9%
		4	\$29.29			\$32.44		124.2%
		Avg	\$23.98					
Nebraska	QW	1	\$12.14	\$2.47	\$1.26	\$15.87	\$28.65	55.4%
		2	\$28.11			\$31.84		111.1%
		3	\$62.50			\$66.23		231.2%
		Avg	\$17.51					
Nevada	SBC	1	\$11.77	\$2.63	\$1.61	\$16.01	\$16.67	96.0%
		2	\$22.64			\$26.88		161.2%
		3	\$66.25			\$70.49		422.9%
		Avg	\$21.45					

Table 3

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Residential Rate (per Month)	Percentage
New Hampshire	VZ	1	\$11.97	\$0.71	\$2.44	\$15.12	\$22.88	66.1%
		2	\$16.04			\$19.19	\$21.60	88.8%
		3	\$25.00			\$28.15	\$19.29	145.9%
		Avg	\$16.21					
New Jersey	VZ	1	\$8.81	\$2.72	\$2.76	\$14.29	\$17.20	83.1%
		2	\$10.42			\$15.90		92.4%
		3	\$11.82			\$17.30		100.6%
		Avg	\$10.32					
New Mexico	QW	1	\$16.27	\$2.06	\$2.52	\$20.85	\$23.84	87.5%
		2	\$20.86			\$25.44		106.7%
		3	\$30.85			\$35.43		148.6%
		Avg	\$21.62					
New York	VZ	1	\$7.70	\$2.57	\$1.13	\$11.40	\$31.78	35.9%
		2	\$11.31			\$15.01		47.2%
		3	\$15.51			\$19.21		60.4%
		Avg	\$11.49					
North Carolina	BS	1	\$10.82	\$2.19	\$1.50	\$14.51	\$23.37	62.1%
		2	\$16.21			\$19.90		85.2%
		3	\$24.08			\$27.77		118.8%
		Avg	\$12.42					
North Dakota	QW	1	\$14.53	\$2.58	\$1.48	\$18.59	\$24.89	74.7%
		2	\$24.49			\$28.55		114.7%
		3	\$55.47			\$59.53		239.2%
		Avg	\$16.71					
Ohio	SBC	B	\$9.46	\$5.61	\$0.78	\$15.85	\$22.24	71.3%
		C	\$12.52			\$18.91		85.0%
		D	\$13.65			\$20.04		90.1%
		Avg	\$12.64					

Table 3

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Residential Rate (per Month)	Percentage
Oklahoma	SBC	3	\$12.14	\$3.18	\$2.27	\$17.59	\$19.56	89.9%
		2	\$13.65	\$3.21	\$2.52	\$19.38		99.1%
		1	\$26.25	\$3.58	\$3.80	\$33.63		171.9%
		Avg	\$16.08	\$3.29	\$2.71			
Oregon	QW	1	\$13.95	\$1.14	\$1.33	\$16.42	\$22.76	72.1%
		2	\$25.20			\$27.67		121.6%
		3	\$56.21			\$58.68		257.8%
		Avg	\$15.00					
Pennsylvania	VZ	1	\$6.77	\$1.68	\$2.55	\$11.00	\$23.39	47.0%
		2	\$9.25			\$13.48		57.6%
		3	\$12.39			\$16.62		71.1%
		4	\$22.39			\$26.62		113.8%
		Avg	\$13.76					
Rhode Island	VZ	1	\$11.19	\$1.86	\$1.28	\$14.33	\$30.40	47.1%
		2	\$15.44			\$18.58		61.1%
		3	\$19.13			\$22.27		73.3%
		Avg	\$13.93					
South Carolina	BS	1	\$13.76	\$1.13	\$1.05	\$15.94	\$22.55	70.7%
		2	\$20.38			\$22.56	\$21.65	104.2%
		3	\$26.04			\$28.22	\$20.30	139.0%
		Avg	\$16.51					
South Dakota	QW	1	\$15.20	\$1.84	\$0.70	\$17.74	\$25.37	69.9%
		2	\$16.56			\$19.10		75.3%
		3	\$21.77			\$24.31		95.8%
		Avg	\$18.84					
Tennessee	BS	1	\$11.11	\$1.70	\$0.80	\$13.61	\$23.13	58.8%
		2	\$16.65			\$19.15		82.8%
		3	\$27.80			\$30.30		131.0%
		Avg	\$14.12					

Table 3

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Residential Rate (per Month)	Percentage
Texas	SBC	3	\$12.14	\$2.58	\$1.42	\$16.14	\$23.23	69.5%
		2	\$13.65	\$3.47	\$1.20	\$18.54		79.8%
		1	\$18.98	\$5.21	\$2.12	\$25.61		110.2%
		Avg	\$14.32	\$3.22	\$1.44			
Utah	QW	1	\$11.33	\$3.56	\$0.00	\$14.89	\$21.34	69.8%
		2	\$12.22	Port rate includes unlimited switching		\$15.78		73.9%
		3	\$19.57			\$23.13		108.4%
		Avg	\$12.97					
Vermont	VZ	1	\$7.72	\$1.03	\$4.00	\$12.75	\$32.17	39.6%
		2	\$8.35			\$13.38		41.6%
		3	\$21.63			\$26.66		82.9%
		Avg	\$14.41					
Virginia	VZ	1	\$10.74	\$1.30	\$1.99	\$14.03	\$31.51	44.5%
		2	\$16.45			\$19.74		62.6%
		3	\$29.40			\$32.69		103.7%
		Avg	\$13.76					
Washington	QW	1	\$11.07	\$1.34	\$1.18	\$13.59	\$21.10	64.4%
		2	\$13.44			\$15.96		75.6%
		3	\$16.73			\$19.25		91.2%
		4	\$28.04			\$30.56		144.8%
		5	\$67.58			\$70.10		332.2%
		Avg	\$16.71					
West Virginia	VZ	1	\$14.49	\$1.60	\$2.55	\$18.64	\$23.41	79.6%
		2	\$22.04			\$26.19		111.9%
		3	\$35.00			\$39.15		167.2%
		4	\$43.44			\$47.59		203.3%
		Avg	\$20.41					

Table 3

Updated March 2006

Updated March 2000

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Residential Rate (per Month)	Percentage
Wisconsin	SBC	A	\$11.53	\$3.83	\$0.00	\$15.36	\$33.89	45.3%
		B	\$13.17	Port rate includes unlimited switching		\$17.00		50.2%
		C	\$15.86			\$19.69		58.1%
		Avg.	\$12.25					
Wyoming	QW	BRA	\$19.91	\$2.64	\$0.92	\$23.47	\$33.68	69.7%
		1	\$26.94			\$30.50		90.6%
		2	\$30.13			\$33.69		100.0%
		3	\$40.98			\$44.54		132.2%
		Avg	\$23.39					

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. In states with per call or set up rates, it was assumed there were 100 calls per month.
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, May 2005, Table 1.3, adjusted for changes in federal subscriber line charge and federal universal service surcharge on end-users. Rates for Delaware, Idaho, Iowa, Kansas, Nevada, New Hampshire, North Dakota, Oklahoma, South Carolina, South Dakota, Vermont & Wyoming taken from tariffs, including federal subscriber line charge and federal universal service surcharge on end-users.
4. The Percentage column is the Total Cost column divided by the Average Residential Rate column.

UNE RATE/BUSINESS RATE COMPARISON MATRIX

All Rates for RBOC in each State Unless Otherwise Noted

Updated March 2006

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	\$11.55	\$1.15	\$0.73	\$13.43	\$49.64	27.1%
		2	\$20.04			\$21.92		44.2%
		3	\$33.65			\$35.53		71.6%
		Avg	\$16.66					
Alaska	ATU	1	\$18.64	\$4.27	\$6.60	\$29.51	\$35.78	82.5%
Arizona	QW	1	\$9.05	\$1.61	\$0.97	\$11.63	\$42.42	27.4%
		2	\$14.84			\$17.42		41.1%
		3	\$36.44			\$39.02		92.0%
		Avg	\$12.12					
Arkansas	SBC	3	\$16.00	\$2.61	\$1.31	\$19.92	\$47.19	42.2%
		2	\$18.70		\$1.69	\$23.00		48.7%
		1	\$22.02		\$2.53	\$27.16		57.6%
		Avg	\$17.21		\$1.51			
California	SBC	1	\$9.48	\$4.29 Port rate includes unlimited switching	\$0.00	\$13.77	\$30.25	45.5%
		2	\$12.79			\$17.08		56.5%
		3	\$26.43			\$30.72		101.6%
		Avg	\$11.73					
Colorado	QW	1	\$5.91	\$1.15	\$1.61	\$8.67	\$48.41	17.9%
		2	\$12.31			\$15.07		31.1%
		3	\$32.74			\$35.50		73.3%
		Avg	\$15.85					
Connecticut	SBC	1	\$14.41	\$0.00 included in switching	\$6.41	\$19.41	\$44.23	43.9%
D.C.	VZ	1	\$8.49	\$1.55	\$3.00	\$13.04	\$38.14	34.2%

* Assumes MOU 75% On-Net, 25% Off-Net

Table 4

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Business Rate (per Month)	Percentage
Delaware	VZ	1	\$10.07	\$2.23	\$1.92	\$14.22	\$33.20	42.8%
		2	\$13.13			\$17.28	\$33.20	52.0%
		3	\$16.67			\$20.82	\$33.40	62.3%
		Avg	\$12.03					
Florida	BS	1	\$9.77	\$1.17	\$0.77	\$11.71	\$44.75	26.2%
		2	\$13.88			\$15.82		35.4%
		3	\$24.63			\$26.57		59.4%
		Avg	\$13.95					
Georgia	BS	1	\$9.56	\$0.90	\$0.62	\$11.08	\$64.27	17.2%
		2	\$14.86			\$16.38		25.5%
		3	\$31.66			\$33.18		51.6%
		Avg	\$12.82					
Hawaii	HI	Oahu	\$10.44	\$2.69	\$7.61	\$20.74	\$51.62	40.2%
		Maui	\$17.23			\$27.53		53.3%
		Hawaii	\$21.91			\$32.21		62.4%
Idaho	QW	1	\$15.65	\$1.34	\$1.34	\$18.33	\$39.49	46.4%
		2	\$23.76			\$26.44		67.0%
		3	\$40.50			\$43.18		109.3%
		Avg	\$20.21					
Illinois	SBC	A	\$5.17	\$3.18 Port rate includes unlimited switching	\$0.00	\$8.35	\$32.92	25.4%
		B	\$12.40			\$15.58		47.3%
		C	\$14.91			\$18.09		55.0%
		Avg	\$13.42					
Indiana	SBC	3	\$12.00	\$4.08 Port rate includes unlimited switching	\$0.00	\$16.08	\$50.27	32.0%
		2	\$12.50			\$16.58		33.0%
		1	\$11.50			\$15.58		31.0%
		Avg	\$11.96					

Table 4

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Business Rate (per Month)	Percentage
Iowa	QW	1	\$12.69	\$1.15	\$1.56	\$15.40	\$36.48	42.2%
		2	\$15.14			\$17.85	\$34.54	51.7%
		3	\$26.39			\$29.10	\$32.60	89.3%
		Avg	\$15.94					
Kansas	SBC	3	\$11.86	\$2.61	\$1.31	\$15.78	\$32.04	49.3%
		2	\$13.64		\$1.69	\$17.94		56.0%
		1	\$23.34		\$2.53	\$28.48		88.9%
		Avg	\$13.53		\$1.51			
Kentucky	BS	1	\$9.64	\$1.15	\$1.20	\$11.99	\$45.65	26.3%
		2	\$14.37			\$16.72		36.6%
		3	\$30.59			\$32.94		72.2%
		Avg	\$17.26					
Louisiana	BS	1	\$11.77	\$1.36	\$1.87	\$15.00	\$46.05	32.6%
		2	\$22.39			\$25.62		55.6%
		3	\$48.26			\$51.49		111.8%
		Avg	\$16.24					
Maine	VZ	1	\$11.44	\$0.94	\$1.68	\$14.06	\$46.49	30.2%
		2	\$13.47			\$16.09		34.6%
		3	\$18.75			\$21.37		46.0%
		Avg	\$16.18					
Maryland	VZ	A1	\$10.13	\$1.41	\$1.24	\$12.78	\$42.60	30.0%
		A2	\$10.18			\$12.83		30.1%
		B1	\$21.92			\$24.57		57.7%
		B2	\$14.45			\$17.10		40.1%
		Avg	\$12.00					
Massachusetts	VZ	1	\$10.81	\$2.22	\$0.77	\$13.80	\$50.33	27.4%
		2	\$11.37			\$14.36		28.5%
		3	\$15.41			\$18.40		36.6%
		4	\$24.32			\$27.31		54.3%
		Avg	\$13.93					

Table 4

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Business Rate (per Month)	Percentage
Michigan	SBC	A	\$9.13	\$4.46 Port rate includes unlimited switching	\$0.00	\$13.59	\$42.60	31.9%
		B	\$10.77			\$15.23		35.8%
		C	\$14.20			\$18.66		43.8%
		Avg	\$11.76					
Minnesota	QW	1	\$5.83	\$3.12 Port rate includes unlimited switching	\$0.00	\$8.95	\$53.91	16.6%
		2	\$8.95			\$12.07		22.4%
		3	\$10.62			\$13.74		25.5%
		4	\$15.66			\$18.78		34.8%
		Avg	\$12.86					
Mississippi	BS	1	\$10.99	\$1.23	\$1.03	\$13.25	\$50.76	26.1%
		2	\$15.90			\$18.16		35.8%
		3	\$25.03			\$27.29		53.8%
		4	\$43.68			\$45.94		90.5%
		Avg	\$22.37					
Missouri	SBC	1	\$12.71	\$2.74	\$1.62	\$17.07	\$51.94	32.9%
		2	\$18.64			\$23.56		45.4%
		3	\$19.74			\$26.02		50.1%
		4	\$16.41			\$22.05		42.5%
		Avg	\$15.76	\$2.96	\$1.95			
Montana	QW	1	\$23.10	\$1.58	\$1.57	\$26.25	\$44.59	58.9%
		2	\$23.90			\$27.05		60.7%
		3	\$27.13			\$30.28		67.9%
		4	\$29.29			\$32.44		72.8%
		Avg	\$23.98					
Nebraska	QW	1	\$12.14	\$2.47	\$1.26	\$15.87	\$39.96	39.7%
		2	\$28.11			\$31.84		79.7%
		3	\$62.50			\$66.23		165.7%
		Avg	\$17.51					

Table 4

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Business Rate (per Month)	Percentage
Nevada	SBC	1	\$11.77	\$2.63	\$1.61	\$16.01	\$27.72	57.8%
		2	\$22.64			\$26.88		97.0%
		3	\$66.25			\$70.49		254.3%
		Avg	\$21.45					
New Hampshire	VZ	1	\$11.97	\$0.71	\$2.44	\$15.12	\$51.82	29.2%
		2	\$16.04			\$19.19		40.4%
		3	\$25.00			\$28.15		72.4%
		Avg	\$16.21					
New Jersey	VZ	1	\$8.81	\$2.72	\$2.76	\$14.29	\$37.00	38.6%
		2	\$10.42			\$15.90		43.0%
		3	\$11.82			\$17.30		46.8%
		Avg	\$10.32					
New Mexico	QW	1	\$16.27	\$2.06	\$2.52	\$20.85	\$47.67	43.7%
		2	\$20.86			\$25.44		53.4%
		3	\$30.85			\$35.43		74.3%
		Avg	\$21.62					
New York	VZ	1	\$7.70	\$2.57	\$1.13	\$11.40	\$50.19	22.7%
		2	\$11.31			\$15.01		29.9%
		3	\$15.51			\$19.21		38.3%
		Avg	\$11.49					
North Carolina	BS	1	\$10.82	\$2.19	\$1.50	\$14.51	\$53.68	27.0%
		2	\$16.21			\$19.90		37.1%
		3	\$24.08			\$27.77		51.7%
		Avg	\$12.42					
North Dakota	QW	1	\$14.53	\$2.58	\$1.48	\$18.59	\$35.74	52.0%
		2	\$24.49			\$28.55		79.9%
		3	\$55.47			\$59.53		166.6%
		Avg	\$16.71					

Table 4

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Business Rate (per Month)	Percentage
Ohio	SBC	B	\$9.46	\$5.61	\$0.78	\$15.85	\$49.38	32.1%
		C	\$12.52			\$18.91		38.3%
		D	\$13.65			\$20.04		40.6%
		Avg	\$12.64					
Oklahoma	SBC	3	\$12.14	\$3.18	\$2.27	\$17.59	\$45.65	38.5%
		2	\$13.65	\$3.21	\$2.52	\$19.38		42.5%
		1	\$26.25	\$3.58	\$3.80	\$33.63		73.7%
		Avg	\$16.08	\$3.29	\$2.71			
Oregon	QW	1	\$13.95	\$1.14	\$1.33	\$16.42	\$37.58	43.7%
		2	\$25.20			\$27.67		73.6%
		3	\$56.21			\$58.68		156.1%
		Avg	\$15.00					
Pennsylvania	VZ	1	\$6.77	\$1.68	\$2.55	\$11.00	\$41.53	26.5%
		2	\$9.25			\$13.48		32.5%
		3	\$12.39			\$16.62		40.0%
		4	\$22.39			\$26.62		64.1%
		Avg	\$13.76					
Rhode Island	VZ	1	\$11.19	\$1.86	\$1.28	\$14.33	\$35.12	40.8%
		2	\$15.44			\$18.58		52.9%
		3	\$19.13			\$22.27		63.4%
		Avg	\$13.93					
South Carolina	BS	1	\$13.76	\$1.13	\$1.05	\$15.94	\$49.90	31.9%
		2	\$20.38			\$22.56	\$46.50	48.5%
		3	\$26.04			\$28.22	\$41.40	68.2%
		Avg	\$16.51					
South Dakota	QW	1	\$15.20	\$1.84	\$0.70	\$17.74	\$45.52	39.0%
		2	\$16.56			\$19.10		42.0%
		3	\$21.77			\$24.31		53.4%
		Avg	\$18.84					

Table 4

Updated March 2006

State	Company	Density Zones	Loop Rate (per Month)	Port Rate (per Month)	Switching (per Month)	Total Cost	Average Business Rate (per Month)	Percentage
Tennessee	BS	1	\$11.11	\$1.70	\$0.80	\$13.61	\$56.45	24.1%
		2	\$16.65			\$19.15		33.9%
		3	\$27.80			\$30.30		53.7%
		Avg	\$14.12					
Texas	SBC	3	\$12.14	\$2.58	\$1.42	\$16.14	\$52.06	31.0%
		2	\$13.65	\$3.47	\$1.20	\$18.54		35.6%
		1	\$18.98	\$5.21	\$2.12	\$25.61		49.2%
		Avg	\$14.32	\$3.22	\$1.44			
Utah	QW	1	\$11.33	\$3.56	\$0.00	\$14.89	\$30.02	49.6%
		2	\$12.22	Port rate includes unlimited switching		\$15.78		52.6%
		3	\$19.57			\$23.13		77.0%
		Avg	\$12.97					
Vermont	VZ	1	\$7.72	\$1.03	\$4.00	\$12.75	\$48.46	26.3%
		2	\$8.35			\$13.38		27.6%
		3	\$21.63			\$26.66		55.0%
		Avg	\$14.41					
Virginia	VZ	1	\$10.74	\$1.30	\$1.99	\$14.03	\$78.66	17.8%
		2	\$16.45			\$19.74		25.1%
		3	\$29.40			\$32.69		41.6%
		Avg	\$13.76					
Washington	QW	1	\$11.07	\$1.34	\$1.18	\$13.59	\$39.95	34.0%
		2	\$13.44			\$15.96		39.9%
		3	\$16.73			\$19.25		48.2%
		4	\$28.04			\$30.56		76.5%
		5	\$67.58			\$70.10		175.5%
		Avg	\$16.71					
West Virginia	VZ	1	\$14.49	\$1.60	\$2.55	\$18.64	\$65.41	28.5%
		2	\$22.04			\$26.19		40.0%
		3	\$35.00			\$39.15		59.9%
		4	\$43.44			\$47.59		72.8%
		Avg	\$20.41					

Table 4

Updated March 2006

Updated March 2000

		Density	Loop	Port	Switching	Total	Average	
State	Company	Zones	Rate (per Month)	Rate (per Month)	(per Month)	Cost	Business Rate (per Month)	Percentage
Wisconsin	SBC	A	\$11.53	\$3.83	\$0.00	\$15.36	\$41.99	36.6%
		B	\$13.17	Port rate		\$17.00		40.5%
		C	\$15.86	includes		\$19.69		46.9%
		Avg.	\$12.25	unlimited switching				
Wyoming	QW	BRA	\$19.91	\$2.64	\$0.92	\$23.47	\$30.30	77.5%
		1	\$26.94			\$30.50		100.7%
		2	\$30.13			\$33.69		111.2%
		3	\$40.98			\$44.54		147.0%
		Avg	\$23.39					

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. In states with per call or set up rates, it was assumed there were 100 calls per month.
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, May 2005, Table 1.10, adjusted for changes in the federal subscriber line charge and federal universal service surcharge on end-users. Rates for Delaware, Idaho, Iowa, Kansas, Nevada, New Hampshire, North Dakota, Oklahoma, South Carolina, South Dakota, Vermont & Wyoming taken from tariffs, including federal subscriber line charge and federal universal service surcharge on end users. The Average Business Rate is the monthly flat rate. Where only measured service is available, the Average Business Rate is the indicated monthly line charge plus the cost of 200 five-minute daytime calls.
4. The Percentage column is the Total Cost column divided by the Average Business Rate column.

ACRONYMS USED IN UNE RATE COMPARISON

Companies

ACS	ACS of Fairbanks, Alaska
ATU	ATU Telecommunications (now ACS Anchorage, Alaska)
BS	BellSouth
HI	Hawaiian Telecom
SBC	SBC Telecommunications
QW	Qwest
VZ	Verizon

Other Terms

Avg.	Average
BRA	Base Rate Area
FCC	Federal Communications Commission
FUSF	Federal Universal Service Fund
LATA	Local Access and Transport Area
MOU	Minutes of Use
RBOC	Regional Bell Operating Company
SLC	Subscriber Line Charge
UNE	Unbundled Network Element
UNE-P	Unbundled Network Element-Platform

SLCs AND FUSFs IN EACH STATE
August 2005 v. March 2006

State	Co	August 2005			March 2006			Difference
		SLC	FUSF	Total	SLC	FUSF	Total	
Alabama	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Alaska	ATU	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
Arizona	QW	\$6.31	\$0.65	\$6.96	\$6.31	\$0.65	\$6.96	\$0.00
Arkansas	SBC	\$5.25	\$0.53	\$5.78	\$5.25	\$0.53	\$5.78	\$0.00
California	SBC	\$4.38	\$0.44	\$4.82	\$4.38	\$0.44	\$4.82	\$0.00
Colorado	QW	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
Connecticut	SBC	\$5.73	\$0.58	\$6.31	\$5.73	\$0.58	\$6.31	\$0.00
Delaware	VZ	\$6.44	\$0.66	\$7.10	\$6.44	\$0.66	\$7.10	\$0.00
D.C.	VZ	\$3.85	\$0.40	\$4.25	\$3.85	\$0.40	\$4.25	\$0.00
Florida	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Georgia	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Hawaii	VZ	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
Idaho	QW	\$6.34	\$0.66	\$7.00	\$6.34	\$0.66	\$7.00	\$0.00
Illinois	SBC	\$4.50	\$0.45	\$4.95	\$4.50	\$0.45	\$4.95	\$0.00
Indiana	SBC	\$5.52	\$0.56	\$6.08	\$5.52	\$0.56	\$6.08	\$0.00
Iowa	QW	\$4.80	\$0.50	\$5.30	\$4.81	\$0.50	\$5.31	\$0.01
Kansas	SBC	\$5.25	\$0.53	\$5.78	\$5.25	\$0.53	\$5.78	\$0.00
Kentucky	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Louisiana	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Maine	VZ	\$6.38	\$0.66	\$7.04	\$6.40	\$0.66	\$7.06	\$0.02
Maryland	VZ	\$5.67	\$0.58	\$6.25	\$5.68	\$0.58	\$6.26	\$0.01
Massachusetts	VZ	\$6.38	\$0.66	\$7.04	\$6.40	\$0.66	\$7.06	\$0.02
Michigan	SBC	\$5.35	\$0.54	\$5.89	\$5.35	\$0.54	\$5.89	\$0.00
Minnesota	QW	\$4.92	\$0.51	\$5.43	\$4.92	\$0.51	\$5.43	\$0.00
Mississippi	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Missouri	SBC	\$5.25	\$0.53	\$5.78	\$5.25	\$0.53	\$5.78	\$0.00
Montana	QW	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
Nebraska	QW	\$4.91	\$0.51	\$5.42	\$4.91	\$0.51	\$5.42	\$0.00
Nevada	SBC	\$5.25	\$0.53	\$5.78	\$5.25	\$0.53	\$5.78	\$0.00
New Hampshire	VZ	\$6.38	\$0.66	\$7.04	\$6.40	\$0.66	\$7.06	\$0.02
New Jersey	VZ	\$6.27	\$0.64	\$6.91	\$6.28	\$0.65	\$6.93	\$0.02
New Mexico	QW	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
New York	VZ	\$6.38	\$0.66	\$7.04	\$6.40	\$0.66	\$7.06	\$0.02
North Carolina	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
North Dakota	QW	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
Ohio	SBC	\$5.39	\$0.54	\$5.93	\$5.39	\$0.54	\$5.93	\$0.00
Oklahoma	SBC	\$5.25	\$0.53	\$5.78	\$5.25	\$0.53	\$5.78	\$0.00
Oregon	QW	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
Pennsylvania	VZ	\$5.91	\$0.61	\$6.52	\$5.92	\$0.61	\$6.53	\$0.01
Rhode Island	VZ	\$6.38	\$0.66	\$7.04	\$6.40	\$0.66	\$7.06	\$0.02
South Carolina	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
South Dakota	QW	\$6.43	\$0.67	\$7.10	\$6.43	\$0.67	\$7.10	\$0.00
Tennessee	BS	\$6.50	\$0.66	\$7.16	\$6.50	\$0.66	\$7.16	\$0.00
Texas	SBC	\$5.25	\$0.53	\$5.78	\$5.25	\$0.53	\$5.78	\$0.00
Utah	QW	\$6.35	\$0.66	\$7.01	\$6.35	\$0.66	\$7.01	\$0.00
Vermont	VZ	\$6.38	\$0.66	\$7.04	\$6.40	\$0.66	\$7.06	\$0.02
Virginia	VZ	\$6.28	\$0.65	\$6.93	\$6.28	\$0.65	\$6.93	\$0.00
Washington	QW	\$5.85	\$0.61	\$6.46	\$5.85	\$0.61	\$6.46	\$0.00
West Virginia	VZ	\$6.50	\$0.67	\$7.17	\$6.50	\$0.67	\$7.17	\$0.00
Wisconsin	SBC	\$5.07	\$0.51	\$5.58	\$5.07	\$0.51	\$5.58	\$0.00
Wyoming	QW	\$6.50	\$0.68	\$7.18	\$6.50	\$0.68	\$7.18	\$0.00
TOTAL		\$5.70	\$0.58	\$6.28	\$5.71	\$0.58	\$6.29	\$0.01

Source: FCC Tariffs

**WEIGHTED AVERAGE MONTHLY UNE RATES
FOR RBOC'S IN EACH STATE
March 2006**

<u>State</u>	<u>Average Loop Rates</u>	<u>Port Rates</u>	<u>Switching Rates</u>	<u>Basic UNE-P</u>	<u>Access Lines</u>
Alabama	\$16.66	\$1.15	\$0.70	\$18.51	1,774,375
Arizona	\$12.12	\$1.61	\$0.97	\$14.70	2,365,023
Arkansas	\$17.21	\$2.61	\$1.51	\$21.33	919,866
California	\$11.73	\$4.29	\$0.00	\$16.02	16,509,867
Colorado	\$15.85	\$1.15	\$1.61	\$18.61	2,468,886
Connecticut	\$14.41	\$0.00	\$6.41	\$20.82	2,110,570
D.C.	\$8.49	\$1.55	\$3.00	\$13.04	791,292
Delaware	\$12.03	\$2.23	\$1.92	\$16.18	546,439
Florida	\$13.95	\$1.17	\$0.77	\$15.89	6,063,101
Georgia	\$12.82	\$0.90	\$0.61	\$14.33	3,727,530
Idaho	\$20.21	\$1.34	\$1.34	\$22.89	514,983
Illinois	\$13.42	\$3.18	\$0.00	\$16.60	6,183,446
Indiana	\$11.96	\$4.08	\$0.00	\$16.04	2,143,137
Iowa	\$15.94	\$1.15	\$1.56	\$18.65	985,834
Kansas	\$13.53	\$2.61	\$1.51	\$17.65	1,133,026
Kentucky	\$17.26	\$1.15	\$1.20	\$19.61	1,091,285
Louisiana	\$16.24	\$1.36	\$1.87	\$19.47	2,080,847
Maine	\$16.18	\$0.94	\$1.68	\$18.80	662,838
Maryland	\$12.00	\$1.41	\$1.24	\$14.65	3,598,762
Massachusetts	\$13.93	\$2.22	\$0.77	\$16.92	3,775,033
Michigan	\$11.76	\$4.46	\$0.00	\$16.22	4,732,342
Minnesota	\$12.86	\$3.12	\$0.00	\$15.98	1,887,050
Mississippi	\$22.37	\$1.23	\$1.03	\$24.63	1,232,062
Missouri	\$15.76	\$2.96	\$1.95	\$20.67	2,362,597
Montana	\$23.98	\$1.58	\$1.57	\$27.13	332,734
Nebraska	\$17.51	\$2.47	\$1.26	\$21.24	367,505
Nevada	\$21.45	\$2.63	\$1.61	\$25.69	366,617
New Hampshire	\$16.21	\$0.71	\$2.44	\$19.36	697,781
New Jersey	\$10.32	\$2.72	\$1.38	\$14.42	5,764,974
New Mexico	\$21.62	\$2.06	\$2.52	\$26.20	794,410
New York	\$11.49	\$2.57	\$1.13	\$15.19	10,176,986
North Carolina	\$12.42	\$2.19	\$1.50	\$16.11	2,246,305
North Dakota	\$16.71	\$2.58	\$1.48	\$20.77	179,077
Ohio	\$12.64	\$5.61	\$0.78	\$19.03	3,721,182
Oklahoma	\$16.08	\$3.29	\$2.71	\$22.08	1,384,536
Oregon	\$15.00	\$1.14	\$1.33	\$17.47	1,255,243
Pennsylvania	\$13.76	\$1.68	\$1.27	\$16.71	5,435,861
Rhode Island	\$13.93	\$1.86	\$1.28	\$17.07	491,107
South Carolina	\$16.51	\$1.13	\$1.05	\$18.69	1,368,409
South Dakota	\$18.84	\$1.84	\$0.70	\$21.38	201,450
Tennessee	\$14.12	\$1.70	\$0.80	\$16.62	2,395,844
Texas	\$14.32	\$3.22	\$1.44	\$18.98	8,778,111
Utah	\$12.97	\$3.56	\$0.00	\$16.53	964,276
Vermont	\$14.41	\$1.03	\$4.00	\$19.44	342,946
Virginia	\$13.76	\$1.30	\$1.99	\$17.05	3,153,885
Washington	\$16.71	\$1.34	\$1.18	\$19.23	2,248,631
West Virginia	\$20.41	\$1.60	\$2.55	\$24.56	808,623
Wisconsin	\$12.25	\$3.83	\$0.00	\$16.08	1,848,578
Wyoming	<u>\$23.39</u>	<u>\$2.64</u>	<u>\$0.92</u>	<u>\$26.95</u>	<u>289,052</u>
TOTAL	\$13.53	\$2.59	\$1.03	\$17.15	125,274,314

Note: Switching rates based on 1000 minutes of use.

LOOP AND UNE-P RATES FOR RBOC'S IN EACH STATE

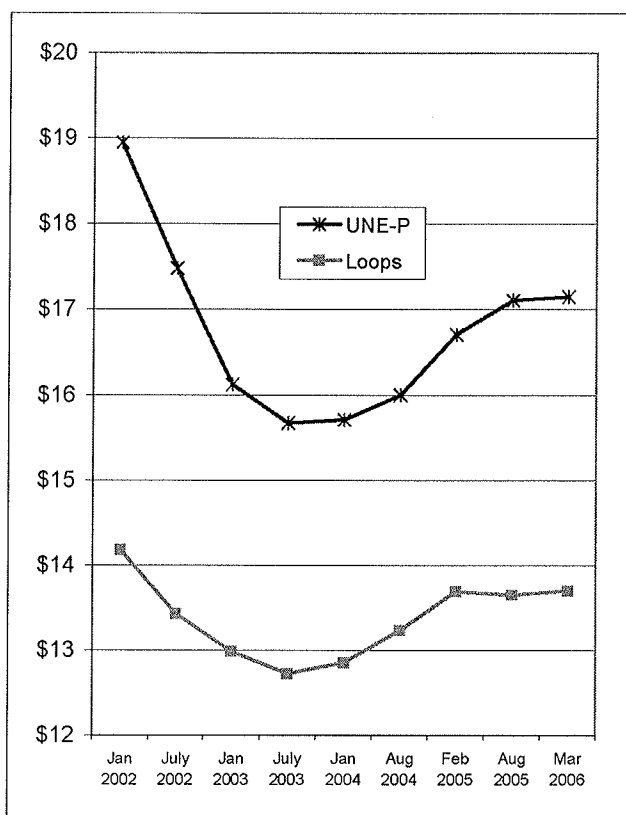
SORTED BY WEIGHTED AVERAGE RATES

March 2006

<u>State</u>	<u>Average Monthly UNE-P Rates W/2000 MOU</u>	<u>State</u>	<u>Average Monthly UNE-P Rates W/1000 MOU</u>	<u>State</u>	<u>Average Monthly Stand Alone Loop Rates</u>
New Mexico	\$28.72	Montana	\$27.13	Montana	\$23.98
Montana	\$28.70	Wyoming	\$26.95	Wyoming	\$23.39
Wyoming	\$27.87	New Mexico	\$26.20	Mississippi	\$23.12
Nevada	\$27.30	Nevada	\$25.69	New Mexico	\$21.62
Connecticut	\$27.23	Mississippi	\$24.63	Nevada	\$21.45
West Virginia	\$27.11	West Virginia	\$24.56	West Virginia	\$20.41
Mississippi	\$25.66	Idaho	\$22.89	Idaho	\$20.21
Oklahoma	\$24.79	Oklahoma	\$22.08	South Dakota	\$18.84
Idaho	\$24.23	South Dakota	\$21.38	Kentucky	\$18.04
Vermont	\$23.44	Arkansas	\$21.33	Alabama	\$17.60
Arkansas	\$22.84	Nebraska	\$21.24	South Carolina	\$17.60
Missouri	\$22.62	Connecticut	\$20.82	Nebraska	\$17.51
Nebraska	\$22.50	North Dakota	\$20.77	Louisiana	\$17.30
North Dakota	\$22.25	Missouri	\$20.67	Arkansas	\$17.21
South Dakota	\$22.08	Kentucky	\$19.61	Washington	\$16.90
New Hampshire	\$21.80	Louisiana	\$19.47	North Dakota	\$16.71
Louisiana	\$21.34	Vermont	\$19.44	New Hampshire	\$16.21
Kentucky	\$20.81	New Hampshire	\$19.36	Maine	\$16.18
Maine	\$20.48	Washington	\$19.23	Oklahoma	\$16.08
Texas	\$20.42	Ohio	\$19.03	Iowa	\$15.94
Washington	\$20.41	Texas	\$18.98	Colorado	\$15.85
Colorado	\$20.22	Maine	\$18.80	Missouri	\$15.76
Iowa	\$20.21	South Carolina	\$18.69	Florida	\$15.27
Ohio	\$19.81	Iowa	\$18.65	Oregon	\$15.00
South Carolina	\$19.74	Colorado	\$18.61	Tennessee	\$14.92
Alabama	\$19.21	Alabama	\$18.51	Connecticut	\$14.41
Kansas	\$19.16	Kansas	\$17.65	Vermont	\$14.41
Oregon	\$18.80	Oregon	\$17.47	Texas	\$14.32
Rhode Island	\$18.35	US Average	\$17.15	Massachusetts	\$13.93
US Average	\$18.19	Rhode Island	\$17.07	Rhode Island	\$13.93
Delaware	\$18.10	Virginia	\$17.05	Pennsylvania	\$13.76
Pennsylvania	\$17.98	Massachusetts	\$16.92	Virginia	\$13.76
North Carolina	\$17.81	Pennsylvania	\$16.71	Georgia	\$13.70
Massachusetts	\$17.69	Tennessee	\$16.62	US Average	\$13.70
Tennessee	\$17.42	Illinois	\$16.60	Kansas	\$13.53
Florida	\$16.66	Utah	\$16.53	Illinois	\$13.42
Illinois	\$16.60	Michigan	\$16.22	Utah	\$12.97
Utah	\$16.53	Delaware	\$16.18	Minnesota	\$12.86
New York	\$16.32	North Carolina	\$16.11	Ohio	\$12.64
Michigan	\$16.22	Wisconsin	\$16.08	North Carolina	\$12.42
Wisconsin	\$16.08	Indiana	\$16.04	Wisconsin	\$12.25
D.C.	\$16.04	California	\$16.02	Arizona	\$12.12
Indiana	\$16.04	Minnesota	\$15.98	Delaware	\$12.03
California	\$16.02	Florida	\$15.89	Maryland	\$12.00
Minnesota	\$15.98	New York	\$15.19	Indiana	\$11.96
Maryland	\$15.89	Arizona	\$14.70	Michigan	\$11.76
New Jersey	\$15.80	Maryland	\$14.65	California	\$11.73
Arizona	\$15.67	New Jersey	\$14.42	New York	\$11.49
Virginia	\$15.06	Georgia	\$14.33	New Jersey	\$10.32
Georgia	\$14.94	D.C.	\$13.04	D.C.	\$8.49

CHANGES IN NATIONWIDE AVERAGE UNE PRICES SINCE JANUARY 2002

Date of Report	Stand Alone Loops	Port	Switching	UNE-P w/ 1000 MOU	UNE-P w/ 2000 MOU
Jan 2002	\$14.18	\$2.42	\$2.36	\$18.95	\$21.31
July 2002	\$13.43	\$2.15	\$1.90	\$17.48	\$19.38
Jan 2003	\$12.98	\$1.93	\$1.49	\$16.12	\$17.62
July 2003	\$12.72	\$1.91	\$1.23	\$15.67	\$16.90
Jan 2004	\$12.85	\$1.97	\$1.08	\$15.71	\$16.79
Aug 2004	\$13.23	\$1.92	\$1.04	\$16.00	\$17.05
Feb 2005	\$13.69	\$2.19	\$1.03	\$16.71	\$17.74
Aug 2005	\$13.65	\$2.59	\$1.03	\$17.11	\$18.18
Mar 2006	\$13.70	\$2.59	\$1.03	\$17.15	\$18.19
\$ Change	-\$0.48	\$0.17	-\$1.33	-\$1.80	-\$3.12
% Change	-3.4%	7.0%	-56.4%	-9.5%	-14.6%



Source: Previous Surveys of Unbundled Network Element Prices in the United States