

Confidential Release

**Case Number: 96-336-TP-CSS
96-532-TP-UNC**

**Date of Confidential Document:
July 22, 1997**

**Today's Date:
August 25, 2009**

Confidential rebuttal testimony of James D. Webber filed on behalf of AT&T communications of Ohio by B. Kahn. (19 pgs.) (FILED UNDER SEAL)

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of AT&T)	Case No. 96-336-TP-CSS
Communications of Ohio, Inc.)	
)	
)	
Complaint,)	
)	
v.)	
American Ohio,)	
)	
Respondent)	
)	
In the Matter of the Implementation of)	Case No. 96-532-TP-DNC
Substitute Senate Bill 306 or Substitute)	
House Bill 734 of the 121st General)	
Assembly.)	

SEALED REBUTTAL TESTIMONY OF
JAMES D. WEBBER

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Technician Robert M. ... Date Processed July 22, 1998

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of AT&T)	Case No. 96-336-TP-CSS
Communications of Ohio, Inc.)	
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Complainant,)	
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v.)	
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Ameritech Ohio,)	
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Respondent.)	

In the Matter of the Implementation of)	Case No. 96-532-TP-UNC
Substitute Senate Bill 306 or Substitute)	
House Bill 734 of the 121st General)	
Assembly.)	

REBUTTAL TESTIMONY OF

JAMES D. WEBBER

ON BEHALF OF

AT&T COMMUNICATIONS OF OHIO, INC.

AT&T EXHIBIT _____

July 22, 1997

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is James D. Webber. My business address is 70 East Lake Street, Suite
3 630, Chicago, Illinois 60601.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am a Senior Consultant with Competitive Strategies Group, Ltd. ("CSG"), a
7 Chicago-based consulting firm that specializes in competitive issues within the
8 telecommunications industry. I am testifying on behalf of AT&T Communications
9 of Ohio, Inc.

10

11 **Q. ARE YOU THE SAME JAMES WEBBER YOU PREVIOUSLY**
12 **TESTIFIED IN THIS PROCEEDING?**

13 A. Yes, I am.

14

15 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

16 A. My primary purpose is to respond to the specific criticisms raised by Mr. O'Brien
17 regarding AT&T's pricing proposal in this proceeding. In particular, I
18 demonstrate, despite Mr. O'Brien's contentions, that properly performed Total
19 Element Long Run Incremental Cost ("TELRIC") studies would result in element
20 costs that are the same regardless of whether those elements are provided under
21 the name "reciprocal compensation" or the name "switched access." Further, the
22 level of shared costs that can legitimately be attributed to switched access (on a
23 per unit basis) is roughly the same as those levels which can be attributed to
24 reciprocal compensation. Finally, to the extent that the reciprocal compensation
25 rates approved as a result of the TELRIC proceedings contain Non Volume-

1 Sensitive ("NVS") costs, AT&T's proposal is conservative because switched
2 access will actually receive a disproportionate share of common costs as I explain
3 later.¹

4
5 I will also demonstrate that Ameritech's residential services as a group do not
6 require a "subsidy" from access and, as a result, Ameritech's plea for revenue
7 neutrality is misplaced.

8
9
10 **Q. AT PAGE 23 OF HIS DIRECT TESTIMONY MR. O'BRIEN SUGGESTS**
11 **THAT AMERITECH'S RECIPROCAL COMPENSATION RATES**
12 **SHOULD NOT BE USED FOR SWITCHED ACCESS BECAUSE THERE**
13 **MAY BE COST DIFFERENTIALS IN PROVISIONING THE TWO**
14 **"SERVICES." IN ORDER TO BETTER UNDERSTAND HIS**
15 **CONTENTION, PLEASE DEFINE THE FOLLOWING: TELRIC,**
16 **SHARED COST AND COMMON COSTS.**

17 **A.** For the purposes of this proceeding, I am using the term TELRIC as having the
18 same meaning it did within the context of Ameritech's TELRIC proceeding, Case
19 No. 96-922-TP-UNC. In layman's terms, TELRIC is the least cost, forward-
20 looking incremental cost of the *element* being studied. Alternatively, TELRIC is
21 the economic cost the company would avoid if it did not provide the entire output
22 of the *element* in question.

23

¹ These NVS costs are one-time implementation costs associated with the Telecommunications Act of 1996.

1 For purposes of this proceeding, I use the term shared costs as it was defined
2 within the TELRIC proceeding. That is, shared costs are those forward-looking,
3 efficiently incurred costs which are associated with providing a group of elements
4 that are not captured within the TELRICs of each of the individual elements
5 contained in the group. Shared costs are only avoided when the entire group is no
6 longer offered by the firm.

7
8 Common costs are those costs that are common to the entire firm: they are
9 avoided when the firm no longer exists.

10
11 **Q. DOES AT&T'S PRICING PROPOSAL ACCOUNT FOR EACH OF**
12 **THESE COSTS?**

13 A. Yes, it does. In fact, AT&T's proposal is that Ameritech set its switched access
14 rates equal to the reciprocal compensation rates resulting from the TELRIC
15 proceeding. Specifically, the Commission's Order requires each of the reciprocal
16 compensation rate elements to be priced such that they recover TELRIC and
17 provide a contribution toward the group's shared costs and Ameritech's common
18 costs. Further, the PUCO's Order requires that each of those elements provide a
19 contribution toward the NVS costs which were identified in that proceeding.²
20 Hence, the rate for each of these elements is based upon the following: TELRIC +
21 X% (for shared costs) + Y% (for common costs) + Z% (for NVS costs).³

22

² An exception to this "rule" may be if imputation is involved. Arguably, a price can be reduced to TELRIC in order for an imputation test to be passed.

³ AT&T has filed an application for rehearing in the TELRIC proceeding that includes a request for reconsideration of the Commission's decision regarding NVS costs. To the extent that the Commission may modify its Order regarding NVS costs, therefore, my proposal would have to be modified accordingly.

1 Therefore, to the extent that the TELRIC for each individual element is constant
2 and the shared costs are equal (on a per unit basis), access rates that are set equal
3 to Ameritech's reciprocal compensation rates will recover all of the individual
4 elements' TELRICs and provide a contribution to the group's shared costs as well
5 as Ameritech's common costs, regardless of whether the name under which the
6 elements are sold is "reciprocal compensation" or "switched access." Further, to
7 the extent that the NVS costs identified in the TELRIC proceeding bear little or
8 no relationship to switched access, AT&T's proposal to include those costs in the
9 access rates is extremely conservative and allows for a larger contribution to
10 common costs from access than the Commission's Order requires for reciprocal
11 compensation.⁴

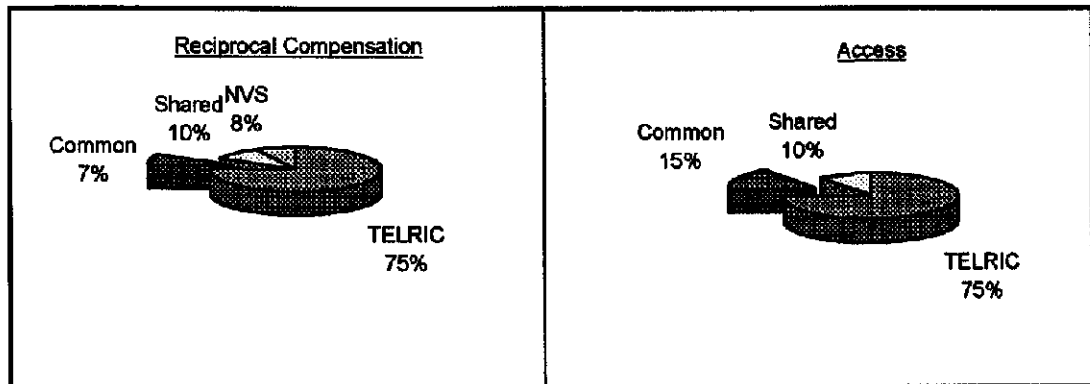
12
13 **Q. PLEASE EXPLAIN HOW ACCESS RATES THAT ARE SET EQUAL TO**
14 **RECIPROCAL COMPENSATION RATES WILL CONTRIBUTE TO**
15 **AMERITECH'S COMMON COSTS DISPROPORTIONATELY?**

16 A. Diagram 1.0 illustrates which portions of the reciprocal compensation and
17 switched access rates are comprised of TELRIC, shared costs, common costs and
18 NVS costs. Given that 1) the TELRIC of each element is constant despite the
19 name under which it is sold, 2) the shared costs are the same on a per unit basis,
20 3) NVS costs are not attributable to access, and 4) the rates are identical, the
21 relative composition of these rates is such that access provides roughly twice the
22 contribution toward common costs than reciprocal compensation does.

23

⁴ This contribution will be approximately 10% larger than required. Hence, the access elements will provide approximately 20% (of TELRIC) in contributions to common costs.

1 **Diagram 1.0: Relative Composition of Reciprocal Compensation and Access**
2 **Rates⁵**
3
4
5



6
7
8
9 **EACH OF THE ELEMENTS THAT COMPRISE RECIPROCAL**
10 **COMPENSATION AND SWITCHED ACCESS HAVE THE SAME COST**
11 **REGARDLESS OF THE NAME OF THE "SERVICE" UNDER WHICH THEY**
12 **ARE SOLD**

13
14 **Q. AT PAGE 23 OF HIS DIRECT TESTIMONY MR. O'BRIEN APPEARS**
15 **TO SUGGEST THAT THE TELRIC OF ANY GIVEN ELEMENT**
16 **DIFFERS DEPENDING UPON WHETHER THE ELEMENT IS SOLD**
17 **UNDER THE NAME RECIPROCAL COMPENSATION OR ACCESS.**
18 **DO YOU AGREE WITH HIS CONTENTION?**

19 **A.** No, I do not. First, the fundamental premise behind the TELRIC concept is to
20 determine the economic cost of a particular network element based upon all

⁵ The numbers expressed in this diagram are expressed as a percentage of the total rate. As a result, the percentage of shared and common costs shown are lower than the effective TELRIC "markups" ordered by the Commission.

1 demands for that element.⁶ Hence, the notion that an element has two or more
2 economic costs contradicts the costing paradigm into which this industry has
3 entered. Further, although Mr. O'Brien was not involved with the preparation of
4 Ameritech's TELRIC studies and has not reviewed any of those studies, Mr.
5 O'Brien bases his insupportable position on those studies. Tr. Vol. No. 3 at p.21.
6 First, he states that there are differences between the traffic patterns involved with
7 access and reciprocal compensation. Second, he claims that call set-up costs will
8 be different because access traffic originates and terminates while reciprocal
9 compensation traffic only terminates. Finally, he claims that there are cost
10 differences between access and reciprocal compensation that are due to the
11 disparate levels of demand.

12
13 While it's debatable as to whether these contentions have any merit, there is no
14 doubt regarding whether TELRIC studies can result in multiple costs for the very
15 same elements, they cannot. The relevant question is whether there are any
16 legitimate differences in the network functionalities supporting reciprocal
17 compensation and switched access service and, if so, what effect such differences
18 would have on the TELRIC studies. I will address each of these issues
19 individually based upon my review and modification of Ameritech's proposed
20 reciprocal compensation studies in Ohio, Illinois, Michigan and Indiana.

⁶ The Commission's local service guidelines Section V.B. specifically require this approach.

1 Traffic Patterns and Tandem Routing

2
3 Ameritech claims that differences in the traffic patterns associated with access and
4 reciprocal compensation (as services) will drive cost differences in the
5 provisioning of the individual elements which comprise those services. While Mr.
6 O'Brien has not offered any evidence to demonstrate that this speculation is true,
7 the simple fact is that Ameritech's TELRIC studies assume very generic
8 parameters which render these points moot. For example, the Network Cost
9 Analysis Tool ("NCAT") runs that I have seen throughout the region employ
10 assumptions such as: 1) all time periods, 2) all distance bands, and 3) 100%
11 tandem routed traffic. Given that these studies assume the most generic
12 parameters, it's not possible to state clearly that differences in the time of day, for
13 example, affect the results.

14
15 Hence, traffic patterns and tandem usage as cost drivers will not create the
16 differences in costs to which Mr. O'Brien alludes. Further, many of the rate
17 elements at issue in this proceeding are not traffic sensitive and would not be
18 affected by these purported routing differences if, in fact, they existed.

19
20
21 Originating and Terminating vs. Terminating Only

22
23 Mr. O'Brien also speculates that cost differentials would likely exist due to the
24 fact that reciprocal compensation involves terminating traffic only while access
25 includes both originating and terminating traffic. While the question as to whether

1 all reciprocal compensation traffic will originate outside of Ameritech's physical
2 network is debatable, the relevant question should address how the reciprocal
3 compensation studies were developed and whether the NCAT can study
4 terminating traffic only. The TELRIC studies I reviewed for reciprocal
5 compensation and the NCAT output supporting those studies contain phrases
6 such as "bell to bell traffic" and cost of "origination" and "termination, " thus
7 indicating that both ends of the network usage were modeled. Further, the studies
8 very clearly account for call set-up expenses which are typically associated with
9 call origination.

10
11 I do not believe that Ameritech has studied only the termination of traffic
12 throughout its reciprocal compensation studies.

13
14 Demand

15
16 Another red herring raised by Ameritech in defense of its position that the
17 TELRICs for access and reciprocal compensation must be different pertains to the
18 demand for those elements. While this Commission's local service guidelines⁷
19 very clearly indicate that the TELRIC of an element is to be studied based upon
20 all uses of that element regardless of who purchases the element, Ameritech
21 appears to argue that cost differences will exist because of the differences in
22 demand for the individual elements as services. Clearly, Ameritech's arguments are
23 fundamentally inconsistent with the local service guidelines.⁸ In fact, Ameritech

⁷ See, for example, the local competition guidelines at Section V. B. (11).

⁸ If Ameritech is stating that it performed its TELRIC studies improperly, perhaps the Commission should examine such an issue in any rehearing of the TELRIC proceedings that might occur in the future.

1 cannot support its argument that these supposed differences in demand drive cost
2 differences given its long-standing, public position that its network usage costs are
3 relatively linear and that the per unit cost developed through the use of NCAT will
4 not vary regardless of whether the amount of incremental usage is increased by
5 10%, 50% or 100%.

6
7 For example, in Ameritech Illinois' alternative regulation proceeding where the
8 use of NCAT became an issue, Ameritech's cost expert, Mr. Palmer, stated at
9 p.11 of his rebuttal testimony "Finally, the result would be the same if I
10 incremented demand by 10% (as presented in my direct testimony) 50% or 100%
11 to develop the unit costs." ⁹ Mr. Palmer also stated in the Illinois TELRIC
12 proceeding that "the unit cost function becomes linear after a certain point." (TR
13 at 536. ICC Docket No. 96-0486 and 96-0569.) And, finally, Mr. Palmer stated
14 in the Indiana TELRIC proceeding that with regard to usage costs "if I process
15 3.5 billion messages, I have to add a little more capacity to add some more
16 messages. I do the division and I'm at the same place." (TR. AT 213. Cause No
17 40611.)

18
19 Properly designed TELRIC studies simply cannot consider differences in demand
20 as driving cost differences in the TELRICs that comprise the services at issue in
21 this proceeding. Further, even if the studies could legitimately be based upon
22 disparate demand levels, Ameritech's cost experts would surely argue, as they
23 have in the past, that such differences in demand would not drive cost
24 differentials.

⁹ Indeed, the ICC found in favor of Ameritech's position on this very issue. See Order in ICC Docket No. 92-0448 and 92-0239 Consol.

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Q. ASSUME, HYPOTHETICALLY, THAT MR. O'BRIEN'S ASSUMPTION THAT THE RECIPROCAL COMPENSATION STUDIES ARE BASED ONLY UPON TERMINATING TRAFFIC IS TRUE. WHAT ACCESS RATE ELEMENTS WOULD POTENTIALLY BE AFFECTED?

A. Due to the fact that the end office switching and tandem switching elements contain the type of set up expenses that may be affected by the direction of traffic, they might be affected by any cost differences that arise from the hypothetical described above. However, these are the only two elements that might be effected by such a hypothetical; and, they would only be effected 50% of the time.

Q. MR. O'BRIEN ALSO CLAIMS THAT THE JOINT COSTS WOULD NOT BE THE SAME FOR ACCESS AS THEY ARE FOR RECIPROCAL COMPENSATION. DO YOU AGREE?

A. I believe the types of joint or shared costs that would be attributed to access in a properly performed study would be the same as those costs attributed to reciprocal compensation. In both cases, Ameritech is providing the same elements to the same customers. To suggest that the costs the company would incur in these two identical endeavors would be radically different flies in the face of what is supposed to be built into TELRIC studies, i.e., a least-cost, forward-looking network which is designed to accommodate multiple providers and provider types, where all units of the functionality being studied are considered.

In fact, the shared cost studies contained in the TELRIC proceeding actually include multiple expense items that I would not expect to see included in an

1 access shared cost study. These items include legal and public policy expenses
2 related to compliance with all facets of Telecommunications Act of 1996, as well
3 as all of the new personnel and equipment required to implement Ameritech's
4 network unbundling and resale activities. If anything, based upon those items
5 being included in the shared costs for reciprocal compensation, I'd anticipate that
6 access shared costs (on a per unit basis) would be equal to or slightly less than the
7 shared costs associated with reciprocal compensation.

8
9 **Q. YOUR RESPONSE TO THE PREVIOUS QUESTION IS LIMITED TO A**
10 **QUALITATIVE ANALYSIS, WHY IS THAT?**

11 **A.** Ameritech Ohio has not provided me with an Ohio specific access study that
12 contains both incremental and shared costs which can be compared to the Ohio
13 specific reciprocal compensation studies I reviewed during the TELRIC
14 proceedings. Hence, my analysis is necessarily restricted to qualitative arguments
15 and my discussion, therefore, is based upon my previous experiences with cost
16 studies of this nature.

17
18 **Q. DO YOU HAVE ANY PREVIOUS EXPERIENCE TO HELP**
19 **DETERMINE WHETHER THE LEVEL OF SHARED COSTS**
20 **ATTRIBUTABLE TO ACCESS IS ACTUALLY THE SAME, HIGHER**
21 **OR LOWER THAN THAT WHICH IS ATTRIBUTABLE TO**
22 **RECIPROCAL COMPENSATION?**

1 A. Based upon data Ameritech Illinois provided in its 1997 alternative regulation
2 proceeding (ICC Docket No. 97-0157) regarding its current access cost studies, I
3 know that the level of shared costs Ameritech Illinois attributes to its access
4 services is smaller than the mark-up Ameritech Illinois proposed for its reciprocal
5 compensation studies in the TELRIC proceedings. Similarly, the Ameritech
6 Illinois access study reflects a mark-up for shared costs that is smaller than the
7 mark-up approved by this Commission in Ameritech Ohio's TELRIC proceeding.
8 Hence, based upon the Illinois experience, Ameritech's calculations suggest to me
9 that shared costs for switched access will be roughly the same, if not lower, than
10 the reciprocal compensation shared costs. The Illinois Data are contained in
11 Attachment No. 1.

12

13 **Q. WHY ARE COST STUDIES FOR AMERITECH ILLINOIS' ACCESS**
14 **SERVICES RELEVANT TO THIS PROCEEDING?**

15 A. As was the case with the TELRIC proceedings, an analysis of Ameritech's access
16 shared costs will likely start at the "company" level incorporating company costs
17 that are associated with provisioning access services throughout the region. Such
18 costs will likely include a substantial share of the costs contained in the Ameritech
19 Long Distance Industry Services ("ALDIS") budget. Then, those regional costs
20 will likely be allocated across the state jurisdictions through some relative

1 allocation process which is typically based upon relative incremental costs or
2 some other cost determinant such as relative minutes of use.

3 For example, if Illinois comprises roughly 25% of the incremental access costs
4 and Ohio comprises only 20%, each state would receive their proportionate share
5 of the access shared costs. This is another way of stating that they each will
6 receive a constant mark-up over their incremental costs toward access shared
7 costs. Hence, the shared costs are likely to be consistent throughout the region.

8
9 **AMERITECH'S RESIDENTIAL SERVICES DO NOT REQUIRE A "SUBSIDY"**
10 **FROM SWITCHED ACCESS**

11
12 **Q. MR. O'BRIEN CLAIMS THAT AMERITECH OHIO'S RESIDENTIAL**
13 **SERVICES REQUIRE A SUBSIDY FROM SWITCHED ACCESS AND**
14 **IMPLIES THAT WITHOUT SUCH A SUBSIDY AMERITECH MAY**
15 **HAVE TO RAISE RESIDENTIAL RATES. IS THAT TRUE?**

16 **A.** One of the fundamental issues which should be explored in order to fully evaluate
17 and respond to Mr. O'Brien's claim is Ameritech Ohio's return on equity both
18 before and after the relief sought in this case is granted. Given that AT&T is
19 precluded from presenting such evidence in this case, I can only explore the issue
20 of whether Ameritech Ohio's residential services are provided at rates which are
21 below their economic costs.

22
23 In order to conduct this analysis, I have compared the revenue and cost data that
24 Ameritech made available to me during the latter part of last week in order to

1 build a "residential services subsidy test." This analysis demonstrates that
2 Ameritech's residential network access lines (loops and CO termination) for areas
3 B, C and D combined are sold at rates which do not recover their LRSICs plus an
4 allocation of shared costs.¹⁰ However, contributions from both the residential
5 usage services (local and toll) and the residential calling features more than offset
6 these losses. For example, the contribution (rates less (LRSICs and shared costs))
7 from custom calling features alone is over two (2) times the deficit associated
8 with residential network access lines. Furthermore, the contribution generated
9 from the residential usage services is roughly four (4) times the revenue shortfall
10 which can be attributed to Ameritech Ohio's residential network access lines.

11
12 In short, this analysis demonstrates that Ameritech's residential services, when
13 taken as a whole, provide more than ample revenues that cover the associated
14 costs. These data are presented in Attachment No. 2 to this testimony.

15
16 **Q. DID YOUR ANALYSIS FOCUS ONLY ON THE MARGIN BETWEEN**
17 **REVENUES AND LRSICs?**

18 A. No, I included a 13.52% markup over LRSIC for shared costs consistent with the
19 PUCO's Order in Case No. 96-922-TP-UNC.

20
21 **Q. DID YOUR ANALYSIS ACCOUNT FOR ALL REVENUES WHICH CAN**
22 **BE ATTRIBUTED TO RESIDENTIAL CUSTOMERS?**

23 A. No, it did not. Significant revenues were left on the table, so to speak, due to the
24 fact that Ameritech did not have cost studies for all residential services. For

¹⁰ To the extent that the residential access line analysis completely ignores the new multi-line End User Subscriber Line Charge ("EUCL" or "SLC"), the revenue shortfall in access lines is overstated.

1 example, operator services and directory assistance services were unaccounted
2 for, thus making my analysis conservative. Including these revenues would
3 further increase the difference between Ameritech Ohio's revenues and its costs
4 for residential services.

5

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

7 **A. Yes, it does.**

8

**Aggregate Revenue Test
Non-Competitive Services**

**Attachment # 1
Page 1 of 1**

<u>Non-Competitive Services</u>	<u>Revenues</u> a	<u>LRsICs</u> b	<u>Shared Costs</u> c	<u>Total Asson Cost</u> d=b+c
1 Network Access				
2 IntraMSA Calling				
3 Switched Access	\$91,105,283	\$28,218,709	\$3,135,460	\$31,354,170
4 ISDN Direct/Prime				
5 CCS, ACCS, CNS				
6 ACBS				
7 AEBS				
8 911				
9 Remote Call Forwarding				
10 Private Line/Special Access				
11 DID Trunks				
12 Directory Services				
13 Optinet				
14 NonCompetitive Local OS				
15 DA/CNA				
16 Non-recurring Charges				
17 Other Services				
18 Other Carrier				
19 Unbundled Network Elements				
20 Non-Competitive Totals				

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Solely for the use by employees of Amertech companies who have a need to know.
Not to be disclosed to or used by any other person without authorization.

Ohio Residential Services "Subsidy Test"						
Access Area	Access Lines	Price	LRSIC plus shared	Annual Total Revenue	Annual Total Cost with Shared Costs	Margin over LRSIC With Shared Costs
B	252,592.00	\$ 10.20	\$ 7.83	\$ 30,917,261	\$ 23,742,274	\$ 7,174,987
C	1,143,988.00	\$ 10.20	\$ 10.91	\$ 140,023,888	\$ 149,760,853	\$ (9,736,767)
D	1,190,402.00	\$ 10.20	\$ 13.95	\$ 145,705,205	\$ 199,296,285	\$ (53,591,080)
Totals	2,586,980.00			\$ 316,646,352	\$ 372,799,192	\$ (56,152,840)
Total Annual Residential Access Line Revenue Shortfall						
Contribution from "other residential services"						\$ (58,152,840)
Difference						\$ 341,611,416
						285,458,576

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Other Residential Services (With Shared Costs)			
Service	Annual Revenue	Annual Cost with shared costs	Annual Margin With Shared Costs
Caller ID per Line Blocking	\$ 1,805,794	\$ 102,497	\$ 1,703,297
Information Call Completion	\$ 656,084	\$ 73,287	\$ 582,797
Multi Ring 1	\$ 640,656	\$ 473	\$ 640,183
Multi Ring 2	\$ 20,390	\$ 30	\$ 20,360
3-way Calling	\$ 10,781,472	\$ 13,157	\$ 10,768,315
Call Forwarding	\$ 5,708,443	\$ 4,050	\$ 5,704,393
Call Waiting	\$ 55,685,252	\$ 9,684	\$ 55,675,568
Caller ID W/Name	\$ 10,447,515	\$ 711,601	\$ 9,735,914
Caller ID	\$ 32,323,021	\$ 124,192	\$ 32,198,829
Repeat Dialing	\$ 2,951,152	\$ 5,025	\$ 2,946,127
Call Screening	\$ 730,972	\$ 93,352	\$ 637,620
Pay Per Use	\$ 8,207,436	\$ 478,277	\$ 7,729,159
Call Trace	\$ 400,001	\$ 323,046	\$ 76,955
Call Waiting Value Pack	\$ 1,685,924	\$ 2,856	\$ 1,683,068
Caller ID Value Pack	\$ 7,317,466	\$ 97,289	\$ 7,220,177
package discount	\$ (372,578)	\$	\$ (372,578)
Calling feature discount	\$ (12,082,570)	\$	\$ (12,082,570)
<i>sub total</i>	\$ 126,906,430	\$ 2,036,816	\$ 124,867,614
Residential Local Usage	\$ 232,922,261	\$ 52,495,040	\$ 180,427,221
Residential Toll	\$ 92,043,241	\$ 55,726,660	\$ 36,316,581
<i>sub total</i>	\$ 324,965,502	\$ 108,221,700	\$ 216,743,802
total	\$ 451,871,932	\$ 110,260,516	\$ 341,611,416