

PROPRIETARY
 PRODUCED UNDER PROTECTIVE AGREEMENT
 IN DOCKET NO. 990649-TP

LF X (hearing 59)

Question 1077

1999 Depreciation Rates

	ADJ RES RATIO	FNS	RL	DEPR RATE
Land Improvements	0.2	0.0	10.0	10.0
Other Land Improvements	0.0	0.0	10.0	10.0
Buildings - Central Office	42.2	1.5	15.0	3.5
Radio Towers	73.2	-0.3	7.0	4.7
Buildings - Administrative	24.8	-0.3	15.0	5.1
Buildings - Other	0.0	1.0	10.0	0.2
Pollution Control	0.0	0.0	0.0	0.0
Building Improvements				20.0
Building Improvements (Pre 91)	0.0	0.0	0.0	0.0
Regenerator Hubs	6.3	1.5	15.0	5.8
Leasehold Improvement	43.7	0.0	5.0	20.0
Furniture	0.0	0.1	5.0	20.0
Office Equipment	12.2	0.1	4.0	21.5
Office Equipment Repro & Office Appl	0.0	0.1	4.0	0.0
Aircraft	48.7	0.0	10.0	5.1
Motor Vehicles - Passenger	0.0	0.2	0.5	199.8
Motor Vehicles - Light Trucks	0.0	0.2	0.5	199.8
Motor Vehicles - Heavy Trucks	0.0	0.2	0.5	199.6
Special Purpose Transport Equipment	52.6	0.2	2.0	23.5
Marine Operations	-134.7	0.0	2.0	117.3
	0.0	0.0	0.0	0.0
	0.0	1.3	5.5	17.5
Internal Data Ntwk Sw				
Internal Telecom-PBX & Key Intrays	74.3	1.3	5.5	4.4
General Purpose/Other OSS >\$10K	3.2	0.0	3.4	28.5
Network Mission Critical OSS	72.4	0.0	3.4	5.1
General Purpose Computers of SV	0.0	0.0	3.4	29.4
IP Network Mission Critical				39.0
Garage & Motor Vehicle Shop Eqpt of SV	74.4	0.2	4.0	5.3
Shop Tools & Work Eqpt	77.3	0.0	2.0	11.3
Portable Test Eqpt	90.0	0.0	2.0	5.0
	0.0	0.0	0.0	0.0
Cellular Switch	0.0	1.0	7.0	0.0
Analog Switch	72.5	-5.2	0.5	65.4
Video Switch	39.7	1.0	5.0	11.9
OSPS Equipment	57.1	3.2	3.0	19.8
4ESS 1A Processor	110.3	-2.1	0.5	0.0
4ESS 1B Processor	49.5	-2.1	6.0	15.0
4ESS 3B Processor	73.6	-2.1	6.2	5.1
4ESS DIF/DIU/TSI/TMS	61.3	-2.1	6.2	10.7
4ESS All Other	61.0	-2.1	6.2	11.1
XTSI - 4ESS Term & Timeslot allocator	4.4	-2.1	6.2	27.1
5ESS Comm Module	73.4	1.3	5.0	4.8
5ESS Switch Module	76.7	1.3	5.0	7.3
5ESS Admin Module	87.8	1.3	2.0	7.3
5ESS All Other	85.3	1.3	4.5	4.5
5ESS - 2000	7.0	1.3	5.0	11.5
SUMMA Adjunct	37.0	1.3	4.4	22.5
CVIS - Adjunct	76.8	1.3	3.4	9.7
Central Office Digital PBX	99.9	1.3	3.0	23.9
Frame Relay Switch	17.5	1.5	5.0	13.5
1PSS Stand Alone Switch	95.5	1.3	1.0	3.2
Datakit	95.1	-4.8	3.0	4.8
Autavan	107.8	0.0	0.5	0.0
ATM	15.4	1.3	5.0	13.9
IP Data Packet Switching				44.7
Other Digital Mux		-4.8	5.0	7.5
DACS 1	101.7	0.0	0.5	0.0
DACS II/CEP/CEPT	63.6	-4.8	5.0	12.1
Circuit Analog	103.1	-5.2	0.5	4.2
DACS III	55.0	-4.8	5.0	15.3
DACS IV	28.7	-4.8	5.0	15.9
DDM1000	77.3	-4.8	5.0	9.2
Channel Banks	82.5	-4.8	3.5	5.5
SDH-interface Eqpt	17.4	-4.8	5.0	29.1

990649-TP

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 990649-TP EXHIBIT NO. 59
 COMPANY/ WITNESS: AT&T
 DATE: 7/17/00

appeal

This confidentiality request was filed by or for a "telco" for DN 08944-00. No ruling is required unless the material is subject to a request per 119.07, FS, or is admitted in the record per Rule 25-22.006(8)(b), FAC.

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 FPSC-RECORDS/REPORTING

PROPRIETARY
 PRODUCED UNDER PROTECTIVE AGREEMENT
 IN DOCKET NO. 990849-TP

Question 1077

1999 Depreciation Rates

	ADJ RES	FNS	RL	DEPR
DDM2000: ADM LTE	20.6	-4.8	5.0	26.1
Inverse Mux (IM/OC3-\$IU)	81.3	-4.8	0.5	31.3
Subscriber Loop Carrier	4.9	-4.0	10.0	9.9
Business Remote Carrier	17.7	-4.0	10.0	8.6
DSX 1/3	66.3	-4.8	5.0	12.8
Echo Cancellers	96.0	-4.8	3.0	4.9
NCOE/HLI	86.4	-4.8	3.0	9.2
FT Series B Lightguide Term Eqpt (OAR&R)	84.0	-4.8	3.0	6.4
FT2000 ADM LTE (+DWD Mux)	12.0	-4.8	11.0	8.4
TTE Cable Term Equip - PDH	96.9	-4.8	1.5	7.1
TTE Cable Term Equip - SDH	25.7	-4.8	5.0	20.0
IP Modems, Routers				46.1
Analog Radio	101.3	-1.3	0.5	0.1
Digital Radio	97.5	-1.3	3.0	1.9
Cellular Radio	104.8	-1.3	0.5	0.0
Earth Station	99.0	1.0	11.0	2.7
Satellite	18.8	0.0	2.6	31.2
Non Cellular Radio	0.0	-1.3	5.0	33.8
Deep Sea Regenerators - Digital	62.5	0.0	9.0	7.5
Deep Sea Repeaters-Anal	121.5	0.0	9.0	0.0
Telephone Poles	82.3	0.0	8.5	2.7
Telephone - Poles ROW	36.7	0.0	6.5	9.4
Guyed Towers	99.9	0.0	6.5	0.0
Aerial Cable - Fiber	59.1	-1.2	11.5	6.4
Aerial Cable - Metallic	1077.4	-4.0	1.3	0.0
Underground Cable - Fiber	55.5	-1.2	11.5	4.0
Underground Cable - Metallic	420.0	-4.0	1.0	0.0
Buried Cable - Fiber	58.1	-1.2	11.5	3.7
Buried Cable - Fiber ROW	32.1	-1.2	11.5	6.0
Buried Cable - Metallic	84.8	-4.0	1.0	19.2
Buried Cable Metallic ROW	66.4	-4.0	1.0	37.6
Submarine Cable - Fiber	93.3	-1.2	11.5	0.7
Submarine Cable - Fiber ROW	30.8	-1.2	11.5	6.1
Submarine Cable - Metallic	83.8	-4.0	1.0	20.2
Submarine Cable - Metallic ROW	0.0	-4.0	1.0	0.0
Deep Sea Cable - Fiber	38.4	0.0	10.0	6.2
Deep Sea Cable - Fiber ROW	0.0	0.0	10.0	0.0
Deep Sea Cable - Metallic	66.3	0.0	0.8	4.8
Deep Sea Cable - Metallic ROW	0.0	0.0	0.8	0.0
Aerial Wire	158.8	-73.0	4.8	3.3
Conduit Systems	20.9	-1.4	40.5	2.0
Conduit Systems ROW	15.3	-1.4	40.5	2.1
Intra Building Cable - Metallic	143.0	-4.0	1.3	0.0
1NCP	106.0	-4.8	0.3	0.0
2NCP	32.5	-4.8	8.0	20.7
2STP	84.3	-4.8	5.0	9.8
Segmentation Directory	17.9	-4.8	7.0	21.7
Alarm Telemetry/Eqpt	70.4	-4.8	4.8	7.5
Power Plant Equip - DC	35.8	-4.8	18.0	4.3
Power Plant Equip - AC	29.2	-4.8	18.0	4.7
Public Telephone - Coin	86.1	0.0	6.0	2.6
Public Telephone - Coinless	61.1	0.0	6.0	6.5
Public Telephone - Other	75.8	0.0	6.0	4.1
Terminal Eqpt Located on Cust Prem	44.8	-2.0	6.0	9.6
Intra Building Cable - Metallic	0.0	-4.0	1.3	80.0
RTU - Switching	54.3	0.0	8.7	11.8
Capitalized Application Software - SW	0.0	0.0	3.0	0.0
RTU - Signaling	15.7	0.0	6.6	25.9
Capitalized Application Software - Sig	0.0	0.0	3.0	0.0

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Formula for SL or Straight Line Group Depreciation:

$$100\% - \text{Adjusted Reserve Ratio \%} - \text{Future Net Salvage \% (FNS)}$$

Depreciation =
Rate

Remaining Life (RL)

Formula for ACCL or Accelerated Group Depreciation:

$$2 \times (100\% - \text{Adjusted Reserve Ratio \%} - \text{Future Net Salvage \%})$$

Depreciation =
Rate

Remaining Life (RL)

PROPRIETARY
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Question 1087

RACCT/USOA	Description	Reserve ratio at Dec 31, 1999	Depreciation Life for 1999	Depreciation Rate for 1999
2231.1	Earth stations and Satellites	72.13%	11	2.7%
2231.2	Analog radio	85.05%	0.5	0.1%
2231.5	Digital Radio	97.28%	2.6	1.8%
2232.1	Circuit - Analog	103.32%	0.5	4.2%
2232.2	Circuit - Analog DSR	121.41%	0	0.0%
2232.3	Circuit - Digital DSR	73.68%	9	7.5%
2232.4	Circuit Digital Other	83.47%	5.4	6.5%
2112	Motor Vehicles	0.00%	0	0.0%
2113	Office Eqpt	98.48%	4	21.8%
2114	Special Purpose Transport Equipme	78.58%	2	23.5%
2115	Motor Veh Shop Eqpt	82.81%	4	6.3%
2116	Portable test Eqp	88.85%	2	25.8%
2121	Buildings	45.47%	18	3.6%
2122	Furniture	1.60%	0	0.0%
2123	Internal Telecom Eqt	106.03%	5.6	4.4%
2124	Computers	90.05%	3.4	28.5%
2211	Electronic -Analog	117.57%	0.5	65.4%
2212	Electronic - Digital	88.58%	6.7	10.6%
2220	OSPS Eqt	83.58%	3	19.8%
2351	Public Tel Eqt	-5.48%	8	5.3%
2382	Other Term Eqt	52.68%	6	9.6%
2411	Pole Lines	85.11%	8.5	2.8%
2421	Aerial Cable Fiber	46.82%	11.5	5.4%
2422	Undergd Cable Fiber	60.54%	11.5	4.0%
2423	Buried Cable Fiber	80.89%	11.5	4.0%
2424	Submarine Cable Fiber	91.66%	11.5	0.8%
2425	Deep Sea Cable Fiber	48.14%	10	8.2%
2426	Intra Bldg Cable	146.37%	1.3	0.0%
2481	Aerial Wire	182.77%	4.9	4.9%
2441	Conduit	22.83%	40.6	0.2%
2681	Cap Lease Comm Eqt	38.36%	5	20.0%
2682	Leasehold Improv Bldg	93.75%	5	20.0%
TOTAL	TOTAL	82.28%	8.2	8.3%

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Question 1087

	Composite Reserve Ratio at year end Financial reporting	Composite Rate Financial Reporting
1999	62.26%	8.3%
1998	64.05%	8.1%
1997	64.20%	8.0%
1996	63.77%	8.7%
1995	62.38%	9.1%

**AT&T NETWORK
DEPRECIATION EXPENSE
CIRCUIT SWITCHING**

FML Description	ASSET CATEGORY	DEP. EXPENSE 1998	DEP. EXPENSE 1999	REASON FOR CHANGE
RTU - Switching	NCAPSW.400RTUSWT.000	73.3	67.6	Adds to plant are somewhat offset by larger adds (6.7 vs 4.6)
RTU - Signaling	NCAPSW.400RTUSIG.000	33.4	61.1	Over 140 million in 1998 additions raise depreciation.
4ESS 1A Processor	NSWT.115PROC1A.000	0.0	0.0	Asset Category fully depreciated in 1998.
4ESS 1B Processor	NSWT.115PROC1B.000	9.5	12.0	20 million in 1998 additions lead to increase in 1999 depreciation.
4ESS 3B Processor	NSWT.117PROC3B.000	48.4	20.6	Old 3B200 replaced by 3B210 processor with longer life leads to lower depreciation.
4ESS DR/DH/WTG/TMS	NSWT.118DIFTSI.000	315.0	330.7	1998 plant increase of 1.1 billion leads to increase in depreciation.
4ESS All Other	NSWT.119OTHER.000	115.4	218.7	1999 budgeted additions of \$14 million plus drop in life from 7.6 to 6.2 raise depreciation.
XTSI - 4ESS term & Timeslot alloc	NSWT.120EXPTSI.000	10.6	55.8	Over 100 million in 1998 adds with another 133 million for 1999 lead to increase.
SESS Comm Module	NSWT.121COMMMD.000	1.8	1.6	Retirements exceeding additions for this category in 1998 and 1999.
SESS Switch Module	NSWT.122SWTMD.000	66.2	66.8	Year over year steady in plant in service leads to decrease in depreciation.
SESS Admin Module	NSWT.123ADMINMD.000	4.8	0.1	Slight decrease with over 1 million of Retirements scheduled for 1999 lowers depreciation.
SESS All Other	NSWT.124OTHER.000	35.4	31.3	20 million drop in plant from 1998 to 1999 lowers depreciation.
ARSS - 2000	NSWT.125LOC2000.000	4.1	17.8	1999 additions budgeted to quadruple the amount of plant in service. Straight line in 1998.
Analog Switch	NSWT.112ANLSWT.000	0.2	0.0	1999 additions will double plant in service.
SUMMA Adjunct	NSWT.128ANLSWT.000	7.0	0.1	1998 depreciation exceeded adds by 8 million so remaining net plant dropped 33%.
CVIS - Adjunct	NSWT.127CVISADJ.000	5.8	4.2	1998 depreciation exceeded adds by 5 million so remaining net plant dropped 33%.
Central Office Digital PBX	NSWT.130COPBX.000	2.0	1.2	Half of 1/10th plant retired in 1998 lowers 1999 depreciation.
Video Switch	NSWT.113VIGESWT.000	0.8	1.1	1998 plant additions lead to higher 1999 depreciation.
OSPS Equipment	NSWT.114OSPEQ.000	37.0	17.3	Slight life increase from 2.5 to 3 per M. Piotrowski lowers depreciation.
Dmux	NSWT.131DATAKIT.000	4.8	1.7	1998 depreciation exceeded adds by 3 million so remaining net plant dropped 71%.
Network Mission Critical OSS	ENDP.082NDPEQT.000	182.0	118.7	Plant decreased during 1998 as Local services reclassified about \$200 million.
IP Network Mission Critical	NSWT.084IPNETOSS.000	0.0	0.6	This is a new asset category in 1999 for Worknet assets.
TOTAL		831.1	1,214.9	

**AT&T NETWORK
DEPRECIATION EXPENSE
DATA/PACKET SWITCHING**

FML Description	ASSET CATEGORY	DEP. EXPENSE 1998	DEP. EXPENSE 1999	REASON FOR CHANGE
Frame Relay Switch	NSWT.129RELAY.000	77.8	87.9	Switch to Straight Line depreciation lowers depreciation and offsets 80 million in 1998 adds.
Worknet Frame Relay Switch	NSWT.134IPACKSW.000	0.0	60.1	This is a new category in 1999 for Worknet assets.
ATM	NTRANS.194ATM.000	18.2	17.1	Net increase as plant in service (1998) affecting change to straight line rates.
1998 Stand Alone Switch	NSWT.130PSS.000	1.2	1.9	Drop in life from 3.8 to 1 year increases depreciation.
TOTAL		97.2	147.0	

**AT&T NETWORK
DEPRECIATION EXPENSE
TRANSPORT - CENTRAL OFFICE**

FML Description	ASSET CATEGORY	DEP. EXPENSE 1998	DEP. EXPENSE 1999	REASON FOR CHANGE
DACS I	NTRANS.141DACS.000	0.0	0.0	Asset category revenue fully depreciated level in 1998.
DACS UC/EP/CEPT	NTRANS.142DACSIL.000	87.8	73.2	102 million in 1998 additions creates slight increase in depreciation.
DACS III	NTRANS.144DACSIII.000	64.0	124.7	Both 1998 and 1999 additions are over 100 million leading to depreciation increase.
DACS IV	NTRANS.147DACSIV.000	130.1	158.0	Both 1998 and 1999 additions are over 200 million; offset by life increase from 7 to 8.
DDM1000	NTRANS.148DDM1000.000	72.8	71.7	Virtually no change.
Channel Banks	NTRANS.149CHANBK.000	5.8	5.0	Virtually no change.
Other Digital Mux	NTRANS.140OTHDMUX.000	61.8	124.1	Plant additions of over 100 million in both 1998 and 1999 lead to increase.
Worknet routers and modems	NTRANS.194IPACKSW.000	0.0	60.1	This is a new category in 1999 for Worknet assets.
SDH-Interface Equip	NTRANS.151SDHINT.000	12.9	28.0	1998 additions will triple the investment in this asset category leading to depreciation increase.
DDM2000; ADM-LTE	NTRANS.152DDM2000.000	4.0	5.0	Plant to increase 20% in 1998 offset by increase in life from 4 to 5 years.
Inverse Mux (IM/OC3-SIU)	NTRANS.153INVIMUX.000	1.4	1.8	Drop in life from 2 years to 1.5 years leads to increase.
Subscriber Loop Carrier	NTRANS.154SLC.000	0.8	2.5	Investment doubled in 1998 and forecast to double again in 1999 leading to increase.
Business Remote Carrier	NTRANS.155BRT.000	0.1	0.1	Virtually no change.
OSV 1/2	NTRANS.156OSV.000	53.8	67.0	Decrease in life from 8 to 5 years leads to greater depreciation.
Echo Cancellers	NTRANS.157ECHO.000	60.2	54.4	Decrease in life from 4.1 to 3 years leads to greater depreciation.
NCDE/HU	NTRANS.158NCDE.000	53.9	40.8	Investment in plant is less than 1998 depreciation. Lower net book value leads to decrease.
Analog Radio	NTRANS.190ANALRAD.000	14.9	0.0	This asset category reached fully depreciated level in 1998.
Digital Radio	NTRANS.191DIGRAD.000	10.1	14.8	Decrease in life from 5 years to 3 years leads to depreciation increase.
Non Cellular Radio	NTRANS.198CELLRAD.000	0.0	0.1	Virtually unchanged.
FT Series G Lightwave Term Equip	NTRANS.168FTSG.000	189.2	97.2	Virtually no adds in 1998 lowers remaining net book to be depreciated in 1999.
FT2000 ADM-LTE (x-DWDM Mux)	NTRANS.161FT2000.000	209.3	240.0	Over a million in plant additions for 1998 and 1999 lead to depreciation increase.
77E Cable Term Equip - PDH	NTRANS.182TTPDH.000	32.0	8.3	Decrease in plant in service due to retirements of 17M in 1998 leads to drop in depreciation.
77E Cable Term Equip - SDH	NTRANS.183TTESDH.000	33.4	87.0	Adds in 1999 will triple investment in this asset category and lead to depreciation increase.
Cross Analog	NTRANS.143OTHANAL.000	4.8	7.5	Additions in 1998 lead to more depreciation.
TOTAL		1,116.3	1,273.9	

**AT&T NETWORK
DEPRECIATION EXPENSE
SIGNALING**

FML Description	ASSET CATEGORY	DEP. EXPENSE 1998	DEP. EXPENSE 1999	REASON FOR CHANGE
INCP	NSIG.260INCP1.000	0.1	0.0	Asset category was fully depreciated in 1998.
2NCP	NSIG.261NCP2.000	25.7	29.5	Additions for 1998 slightly higher than depreciation in 1998. Resulting increase in net plant.
3NCP	NSIG.262NCP3.000	20.2	12.6	No additions and 18 million in 1998 depreciation lowers remaining net plant.
Signaling Distribution	NSIG.263SIGDIR.000	17.8	23.4	40 million increase in plant in service for 1998 increases depreciation.
TOTAL		64.8	75.5	

**AT&T NETWORK
DEPRECIATION EXPENSE**

TRANSPORT - OUTSIDE PLANT

FNL Description	ASSET CATEGORY	DEP. EXPENSE		REASON FOR CHANGE
		1998	1999	
Aerial Cable - Fiber	NOSP.206ACFIBER.000	4.3	5.3	Plant increase of 14 million in 1998 increases 1999 depreciation.
Underground Cable - Fiber	NOSP.207UGFIBER.000	14.8	17.7	Budgeted 1998 plant additions of \$44 million increase 1999 depreciation.
Buried Cable - Fiber	NOSP.206BCFIBER.000	56.6	60.3	Virtually unchanged
Buried Cable - Fiber ROW	NOSP.210BCFROW.000	18.4	18.6	Virtually unchanged
Buried Cable - Metallic	NOSP.2118CMETAL.000	3.5	21.2	Drop in Reserve level in 1998 leads to increase in net book value and more depreciation.
Buried Cable Metallic ROW	NOSP.2128CMROW.000	3.1	1.4	No additions to this asset category in 1998 (2000 to drop for 1999).
Submarine Cable - Fiber	NOSP.219SCFIBER.000	0.2	0.2	Virtually unchanged
Submarine Cable - Fiber ROW	NOSP.214SCFROW.000	0.1	0.1	Virtually unchanged
Submarine Cable - Metallic	NOSP.2168CMETAL.000	0.2	0.3	Virtually unchanged
Aerial Wire	NOSP.201ABRWIRE.000	8.0	8.1	Virtually unchanged
Conduit Systems	NOSP.222CONDUIT.000	15.8	10.2	Virtually unchanged
Conduit Systems ROW	NOSP.223CONROW.000	0.7	0.7	Virtually unchanged
Intra Building Cable - Metallic	NOTH.356CFWIRE.000	0.1	0.0	Asset category fully depreciated in 1998
Deep Sea Cable - Fiber	NOSP.217DSCFROW.000	69.4	74.7	Inc reuse due to 124 million in 1999 plant additions
Deep Sea Cable - Metallic	NOSP.219DSCMETAL.000	8.3	3.7	Transfer of plant towers remaining net book to be depreciated.
Deep Sea Regenerators - Digital	NOSP.200D3REFF.000	52.0	49.8	Low amount of 1998 additions results in lower remaining net book to be depreciated.
Earth Signal	NTRANS.193EARTHAT.000	4.8	24.9	Increase in plant for 1998 of 19 million as lease payment was cash-based
Radio Towers	NTRANS.193EARTHAT.000	11.2	13.5	Virtually unchanged
Regenerator Hubs	BLDGS.011RADTWR.000	10.2	21.1	Drop in life from 16 to 7 years increases depreciation.
Guyed Towers	BLDGS.019REGHUT.000	0.4	0.4	3 million in 1998 additions increase depreciation.
Telephone Poles	NOSP.202POLES.000	0.3	0.7	2 million in 1998 additions increase depreciation.
Telephone - Poles ROW	NOSP.203POLESROW.000	0.1	0.0	Virtually unchanged
TOTAL		362.8	416.3	

AT&T NETWORK
DEPRECIATION EXPENSE
SUPPORT ASSETS

FNL Description	ASSET CATEGORY	DEP. EXPENSE		REASON FOR CHANGE
		1998	1999	
Land Improvements	LANDIMP.002IMPROVE.000	0.0	1.4	31M in 1998 additions increase depreciation.
Buildings - Central Office	BLDGS.010CENTOFF.000	152.1	155.1	Virtually no change
Buildings - Administrative	BLDGS.012ADMIN.000	3.0	5.3	1998 additions will triple the investment in this asset category
Buildings - Other	BLDGS.010OTHERBDC.000	0.0	0.1	Increase in plant for 1998 increase 1999 depreciation.
Leasehold Improvement	LHI.030LHIBDC.000	7.7	10.0	14 million in 1998 adds increase 1998 depreciation.
Other Equipment	FURFPP.043FPPBDC.000	1.0	0.0	Asset category fully depreciated in 1998.
Garage/Mover Vehicle Shop Equip	NSUPP.100SHOPTOOL.000	0.2	0.0	Asset category fully depreciated in 1998.
Shop Tools & Work Equip	NSUPP.101SHOPTOOL.000	4.0	10.6	1998 additions of 8 million increase 1998 depreciation
Portable Test Equip	NSUPP.102PTE.000	4.0	24.8	Over 20 million in adds for both 1998 and 1999 increase depreciation
Aircraft	TRANS.004AIRCRAFT.000	0.3	0.2	Virtually no change
Passenger Truck	TRANS.001PASS.000	0.0	1.4	New asset category for 1998.
Special Purpose Transport Equipment	TRANS.004SPECPUR.000	0.3	5.0	Additions of 5 million in 1998 increase 1998 depreciation.
Marine Operations	TRANS.003MARINE.000	0.0	0.0	Asset category fully depreciated in 1998.
General Purpose Computers of 3V	INADP.09SCOMRECT.000	2.4	0.0	Asset category fully depreciated in 1998.
General Purpose/Other OSS>\$10K	INADP.091ADPEQT.000	7.5	0.0	Asset category fully depreciated in 1998.
Terminal Replaced on Cust Prem	NCTH.354CPETERM.000	12.9	14.4	Virtually no change.
Public Telephone - Coin	NCTH.300PTCOIN.000	0.5	0.5	Virtually no change.
Public Telephone - Coinless	NCTH.301PTCLESS.000	5.2	4.8	Virtually no change.
Public Telephone - Other	NCTH.303PTOTHER.000	1.2	1.1	Virtually no change.
Power Plant Equip - DC	NCOMM.271PPEDC.000	46.5	25.5	Change to Straight Line Depreciation from Accelerated.
Power Plant Equip - AC	NCOMM.272PPEAC.000	4.3	3.0	Change to Straight Line Depreciation from Accelerated offset by \$4M in additions.
Alarm Toner/Equip	NCOMM.270ALTELEQT.000	11.4	7.1	Change to Straight Line Depreciation from Accelerated offset by 15M in additions
TOTAL		382.8	376.4	
GRAND TOTAL		7,743.6	7,356.3	

AT&T NETWORK DEPRECIATION EXPENSE

Description	DEP. EXPENSE	DEP. EXPENSE
	1998	1999
TOTAL CIRCUIT SWITCH	931,113,244	1,214,851,390
TOTAL DATA/PACKET SWITCHING	91,168,341	147,007,799
TOTAL SIGNALING	63,976,628	65,514,200
TOTAL SUPPORT ASSETS	264,951,432	270,764,615
TOTAL TRANSPORT - OUTSIDE PLANT	302,028,300	358,195,533
TOTAL TRANSPORT - CENTRAL OFFICE	1,110,305,124	1,273,911,591
GRAND TOTAL	2,763,545,067	3,330,245,128

AT&T NETWORK DEPRECIATION RATES

Description	Average Gross Plant		Depreciation Expense		Budgeted Weighted Average		Budgeted Weighted Average	
	1998	1999	1998	1999	1998 LIFE	1999 LIFE	1998 RATE	1999 RATE
TOTAL CIRCUIT SWITCH	9,678	11,317	931	1,215	5.5	5.7	9.4%	10.7%
TOTAL DATA/PACKET SWITCHING	460	711	91	147	7.5	4.5	19.8%	20.7%
TOTAL SIGNALLING	396	467	64	66	4.4	5.2	16.2%	14.0%
TOTAL SUPPORT ASSETS	5,602	6,117	265	271	13.5	13.6	4.7%	4.4%
TOTAL TRANSPORT - OUTSIDE PLANT	7,494	6,886	302	358	14.7	13.5	4.0%	5.2%
TOTAL TRANSPORT CENTRAL OFFICE	10,466	13,278	1,110	1,274	5.2	5.4	10.6%	9.6%
GRAND TOTAL	34,296	38,776	2,763	3,330	8.6	8.2	8.1%	8.6%

**AT&T NETWORK
 DEPRECIATION RATES
 1998 vs 1999**

CIRCUIT SWITCHING

Description:	ACAT	GROSS INVESTMENT (\$M)		ACCUMULATED RESERVE (\$M)		NET PLANT (\$M)	NET PLANT (\$M)	LIFE		RATE (%)		TYPE
		1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1998	1999	
Network Mission Critical OSS	ENDP.092NDPEQT.000	1,588	1,408	(958)	(1,052)	632	353	3.4	3.4	12.7	8.1	STL
Analog Switch	NSWT.112ANALSWT.000	1	1	(1)	(1)	(0)	(0)	8.5	0.5	98.1	65.4	ACCL
RTU - Switching	NCAPSW.400RTUSWT.000	545	562	(298)	(367)	247	195	4.6	6.7	18.8	11.8	ACCL
RTU - Signaling	NCAPSW.402RTUSIG.000	37	171	(7)	(31)	30	140	4.8	5.5	31.9	25.8	ACCL
4ESS 1A Processor	NSWT.115PROC1A.000	41	41	(46)	(45)	(4)	(4)	0.0	0.0	0.0	0.0	ACCL
4ESS 1B Processor	NSWT.116PROC1B.000	70	101	(42)	(51)	28	50	6.0	8.0	12.0	15.0	ACCL
4ESS 3B Processor	NSWT.117PROC3B.000	268	348	(230)	(258)	38	82	1.2	8.2	16.4	8.1	ACCL
4ESS DIFDIUTS/TMS	NSWT.118DIFTSI.000	3,679	4,735	(2,778)	(3,046)	901	1,689	8.5	8.2	7.7	10.7	ACCL
4ESS All Other	NSWT.119OTH4E.000	1,499	1,539	(1,077)	(1,130)	422	408	7.5	8.2	7.8	11.1	ACCL
XTSI - 4ESS term. & Timeslot Allocator	NSWT.120EXPXTSL.000	37	141	(1)	(9)	38	132	8.0	8.2	20.2	27.1	ACCL
SESS Comm Module	NSWT.121COMM.000	38	33	(27)	(24)	10	9	8.0	8.0	5.0	4.8	ACCL
SESS Switch Module	NSWT.122SWT.000	513	489	(381)	(387)	132	102	5.4	5.0	7.7	7.3	ACCL
SESS AdmIn Module	NSWT.123ADMIN.000	5	8	(2)	(5)	2	0	1.0	2.0	91.9	7.3	ACCL
SESS All Other	NSWT.124OTHERSE.000	708	689	(586)	(598)	122	93	5.0	4.5	5.2	4.5	ACCL
SESS - 2000	NSWT.125LOC2000.000	23	43	(5)	(9)	18	34	9.0	8.0	15.7	11.5	STL
SUMMA Adjunct	NSWT.126SUMADJ.000	23	23	(1)	(9)	22	14	4.4	4.4	34.4	22.5	ACCL
CVIS - Adjunct	NSWT.127CVISADJ.000	44	44	(28)	(34)	15	10	4.4	3.4	12.9	9.7	ACCL
Central Office Digital PBX	NSWT.128COPBX.000	9	5	(1)	(3)	6	3	4.0	3.0	38.4	23.8	ACCL
Video Switch	NSWT.113VIDEOSWT.000	8	9	(3)	(4)	5	8	8.0	5.0	10.0	11.8	ACCL
OSPS Equipment	NSWT.114OSPEQT.000	60	64	(24)	(53)	55	31	2.2	3.0	43.5	18.8	ACCL
Datalink	NSWT.131DATAKIT.000	39	38	(32)	(38)	7	2	3.0	3.0	12.8	4.8	ACCL
Autovan	NSWT.132AUTOSWT.000		3		(3)	-	(0)		0.5		0.0	
IP Network Mission Critical	NSWT.094IPNetos.000		2			-	2				38.0	STL**
Internal Data Network Switch	NSWT.072SWTKEY.000								5.8		17.6	STL
TOTAL CIRCUIT SWITCHING		9,253	10,503	(6,528)	(7,153)	2,724	3,350	5.5	5.7	9.4	10.7	

Notes:

STL = Straight Line Depreciation

ACCL = Accelerated Depreciation for vintages from 1989 onward. Prior vintages are Straight Line and rates displayed are a composite of two techniques.

** The rate is a composite of 3 years for new equipment and embedded plant depreciated over 3 years from service date.

**AT&T NETWORK
 DEPRECIATION RATES
 1998 vs 1999**

DATA/PACKET SWITCHING

Description:	ACAT	GROSS INVESTMENT (\$M)		ACCUMULATED RESERVE (\$M)		NET PLANT (\$M)		LIFE		RATE (%)		TYPE
		1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1998	1999	
		Frame Relay Switch	NSWT.120FRELAY.000	246	327	(26)	(73)	220	254	7.0	6.0	
1PSS Stand Alone Switch	NSWT.130PSS.000	56	57	(53)	(54)	3	3	3.8	1.0	2.1	3.2	ACCL
ATM	NTRANS.134ATM.000	31	88	(7)	(19)	24	87	7.0	6.0	21.7	13.9	STL
IP Data Packet Switching	NSWT.135IPPAKCSW.000		118		(22)		94				43.8	STL*
TOTAL DATA/PACKET SWITCHING		333	586	(87)	(169)	246	418	7.5	4.5	19.8	20.7	

Notes:

STL= Straight Line Depreciation

ACCL = Accelerated Depreciation for vintages from 1989 onward. Prior vintages are Straight Line and rates displayed are a composite of two techniques.

* The rate is a composite of 3 years for new equipment and embedded plant depreciated over 3 years from in service date.

**AT&T NETWORK
 DEPRECIATION RATES
 1998 vs 1999**

TRANSPORT - CENTRAL OFFICE

Description:	ACAT	GROSS INVESTMENT (\$M)		ACCUMULATED RESERVE (\$M)		NET PLANT (\$M)		LIFE		RATE (%)		TYPE
		1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1998	1999	
Circuit Analog	NTRANS.143OTHANAL.000	184	164	(168)	(170)	(4)	(5)	8.5	8.5	5.0	4.2	STL
DACS I	NTRANS.141DACSI.000	157	152	(161)	(155)	(4)	(3)	8.5	8.0	8.0	0.0	N/A
DACS II/CE/CEPT	NTRANS.142DACSI.000	462	538	(362)	(405)	180	133	4.0	5.0	13.5	12.1	ACCL
DACS III	NTRANS.146DACSI.000	505	854	(345)	(398)	180	258	8.0	5.0	10.4	18.3	ACCL
DACS IV	NTRANS.147DACSI.000	525	758	(148)	(253)	379	503	7.0	8.0	20.6	18.9	ACCL
DDM1000	NTRANS.148DDM1000.000	678	742	(540)	(805)	138	138	5.0	5.0	10.3	9.2	ACCL
Channel Banks	NTRANS.149CHANBK.000	83	85	(78)	(79)	7	8	3.3	3.3	8.7	5.8	ACCL
Other Digital Mux	NTRANS.148OTHDIG.000	1,358	1,489	(1,208)	(1,263)	149	205	5.0	5.0	8.4	7.5	ACCL
SDH Interface Equip	NTRANS.151SDHINT.000	29	48	(5)	(15)	24	32	5.0	5.0	32.1	28.1	ACCL
DDM2000: ADM LTE	NTRANS.152DDM2000.000	2	15	(0)	(4)	2	12	4.0	5.0	38.8	28.1	ACCL
Inverse Mux (MUOC3-SAU)	NTRANS.153INVMUX.000	5	8	(4)	(5)	1	8	2.0	0.5	25.0	31.3	ACCL
Subscriber Loop Carrier	NTRANS.154SLC.000	6	12	(0)	(1)	6	11	10.0	10.0	10.1	8.9	ACCL
Business Remote Carrier	NTRANS.155BRT.000	2	1	(0)	(0)	2	1	10.0	10.0	9.7	8.6	ACCL
DSX VS	NTRANS.158DSX.000	428	473	(278)	(329)	150	144	6.0	5.0	11.8	12.8	ACCL
Echo Cancelers	NTRANS.157ECHO.000	1,095	1,731	(1,648)	(1,872)	47	59	4.1	3.0	3.5	4.9	ACCL
NCOEHLJ	NTRANS.158NCOE.000	398	434	(350)	(390)	48	44	2.8	3.0	12.8	9.2	ACCL
FT Series G Lightguide Term Equip (OAR&R)	NTRANS.159FTSG.000	1,774	1,804	(1,535)	(1,703)	239	101	3.0	3.0	10.5	5.4	ACCL
FT2000 ADM LTE (+DWDI Mux) SONE	NTRANS.161FT2000.00	973	1,919	(73)	(284)	800	1,825	11.0	11.0	16.8	8.4	STL
TTE Cable Term Equip - PDH	NTRANS.162TTEPDH.000	158	141	(111)	(140)	47	2	2.0	1.5	23.1	7.1	ACCL
TTE Cable Term Equip - SDH	NTRANS.163TTESDH.000	183	188	(60)	(91)	103	78	8.0	5.0	28.1	24.0	ACCL
SDCS (Sonet DACS)	NTRANS.160SDCS.000	-	-	-	-	-	-	-	7.0	-	15.0	STL
Analog Radio	NTRANS.160ANALRAD.000	88	65	(80)	(88)	8	(1)	8.5	8.5	28.3	4.1	STL
Digital Radio	NTRANS.161DIGRAD.000	714	721	(707)	(717)	7	4	5.0	2.8	1.4	31.2	STL
Non Cellular Radio	NTRANS.165NCELLRAD.000	-	-	-	-	-	-	-	5.0	-	33.8	STL
IP Modems Routers	NTRANS.164IPMODROU.000	-	55	-	(4)	-	50	-	-	-	43.7	STL*
TOTAL TRANSPORT CENTRAL OFFICE		10,345	12,155	(7,836)	(8,759)	2,508	3,395	5.2	5.4	10.6	8.8	

Notes:

STL = Straight Line Depreciation

ACCL = Accelerated Depreciation

* The rate is a composite of 3 years for new equipment and embedded plant depreciated over 3 years from in service date.

**AT&T NETWORK
 DEPRECIATION RATES
 1998 Vs 1999
 SIGNALING**

Description:	ACAT	GROSS INVESTMENT (\$M)		ACCUMULATED RESERVE (\$M)		NET PLANT (\$M)		LIFE		RATE (%)		TYPE
		1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1998	1999	
		1NCP	NSIG.250NCP1.000	42	48	(48)	(51)	(7)	(2)	0.5	0.3	
2NCP	NSIG.251NCP2.000	85	122	(20)	(46)	84	75	6.0	6.0	24.2	20.7	ACCL
2STP	NSIG.252STP2.000	184	182	(144)	(180)	40	22	4.2	5.0	11.0	8.8	ACCL
Segmentation Directory	NSIG.253SEGDIR.000	44	84	(2)	(20)	42	85	7.0	7.0	25.1	21.7	ACCL
TOTAL SIGNALING		355	438	(215)	(276)	140	180	4.4	5.2	18.2	14.0	

Notes:
 STL= Straight Line Depreciation
 ACCL = Accelerated Depreciation.

**AT&T NETWORK
 DEPRECIATION RATES
 1998 vs 1999**

TRANSPORT - OUTSIDE PLANT

Description:	ACAT	GROSS INVESTMENT (\$M)		ACCUMULATED RESERVE (\$M)		NET PLANT (\$M)		LIFE		RATE (%)		TYPE
		1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1/1/98	1/1/99	1998	1999	
		Radio Towers	BILGGS.01RADTWR.000	418	424	(287)	(310)	118	113	14.8	7.0	
Regenerator Huts	BILGGS.01REGHUT.000	4	7	(0)	(0)	3	8	18.0	18.0	6.1	5.8	STL
Deep Sea Regenerators - Digital	NOSP.200DSREPF.000	653	633	(365)	(417)	218	216	10.0	9.0	8.1	7.5	ACCL
Telephone Poles	NOSP.202POLES.000	21	23	(19)	(19)	2	4	8.5	8.5	1.4	2.7	STL
Telephone - Poles ROW	NOSP.203POLESROW.000	0	0	(0)	(0)	0	0	8.5	6.5	11.0	9.4	STL
Gayed Towers	NOSP.204GYTWR.000	1	1	(1)	(1)	0	0	8.5	6.5	0.0	0.0	STL
Aerial Cable - Fiber	NOSP.205ACFIBER.000	77	81	(32)	(36)	46	58	12.0	11.5	5.0	5.4	STL
Aerial Cable - Metallic	NOSP.206ACMETAL.000	0	0	(2)	(2)	(2)	(2)	1.3	1.3	0.0	0.0	STL
Underground Cable - Fiber	NOSP.207UGFIBER.000	366	377	(209)	(221)	157	156	12.0	11.5	3.7	4.0	STL
Underground Cable - Metallic	NOSP.208UGMETAL.000	10	10	(41)	(41)	(32)	(31)	1.3	1.0	0.0	0.0	STL
Buried Cable - Fiber	NOSP.209BCFIBER.000	2209	2,229	(1,219)	(1,297)	990	823	12.0	11.5	3.0	3.7	STL
Buried Cable - Fiber ROW	NOSP.210BCFROW.000	248	249	(87)	(81)	181	167	12.0	11.5	6.2	6.0	STL
Buried Cable - Metallic	NOSP.211BCMETAL.000	88	91	(87)	(77)	1	14	1.3	1.0	3.8	19.2	STL
Buried Cable Metallic ROW	NOSP.212BCMROW.000	4	4	(0)	(3)	4	1	1.3	1.0	75.5	37.8	STL
Submarine Cable - Fiber	NOSP.213SCFIBER.000	28	26	(20)	(25)	2	2	12.0	11.5	0.7	0.7	STL
Submarine Cable - Fiber ROW	NOSP.214CFROW.000	1	1	(0)	(0)	1	1	12.0	11.5	6.4	6.1	STL
Submarine Cable - Metallic	NOSP.215SCMETAL.000	2	2	(1)	(1)	0	0	1.3	1.0	28.1	20.2	STL
Deep Sea Cable - Fiber	NOSP.217DSCFIBER.000	1,204	1,184	(414)	(471)	790	693	11.0	10.0	5.9	8.2	STL
Deep Sea Cable - Metallic	NOSP.218DSCMETAL.000	94	78	(71)	(83)	23	(8)	1.8	0.8	13.5	4.6	STL
Aerial Wire	NOSP.221AERWIRE.000	2	2	(3)	(3)	(1)	(1)	4.0	4.0	3.0	3.3	STL
Conduit Systems	NOSP.222CONDUIT.000	748	753	(137)	(158)	609	595	40.5	40.5	2.1	2.0	STL
Conduit Systems ROW	NOSP.223CONDROW.000	32	32	(4)	(5)	28	27	40.5	40.5	2.2	2.1	STL
Intra Building Cable - Metallic	NOTH.356CPEWIRE.000	1	0	(1)	-	0	0	1.3	1.3	9.8	80.0	STL
Earth Station	NTRANS.183EARSTA.000	447	450	(323)	(323)	125	127	11.0	11.0	2.5	2.7	STL
Satellite	NTRANS.184SATRAD.000	29	44	(0)	(13)	20	30	6.7	2.6	11.7	31.2	STL
Deep Sea Repeaters - Analog	NTRANS.201DSREPM.000	44	44	(54)	(54)	-	(9)	-	2.6	-	0.0	STL
TOTAL TRANSPORT - OUTSIDE PLANT		6,684	6,727	(3,331)	(3,844)	3,353	3,083	14.7	13.5	4.0	5.2	

Notes:

STL = Straight Line Depreciation
 ACCL = Accelerated Depreciation.

AT&T NETWORK DEPRECIATION RATES 1988 vs 1989 SUPPORT ASSETS

Description:	ACAT		NET PLANT		ACCUMULATED RESERVE		GROSS INVESTMENT		SUPPORT ASSETS	
	1/1/88	1/1/89	1/1/88 (\$M)	1/1/89 (\$M)	1/1/88 (\$M)	1/1/89 (\$M)	1/1/88 (\$M)	1/1/89 (\$M)	1988	1989
Land Improvements	0	0	0	0	0	0	0	0	10.0	10.0
LNDMP.001IMP.000	0	0	0	0	0	0	0	0	10.0	10.0
Other Land Improvements	3.888	4.084	2.188	2.315	1.788	1.788	1.788	1.788	18.0	18.0
BLDG.010CENTOFF.000	0	0	0	0	0	0	0	0	18.0	18.0
Buildings - Central Office	82	81	64	34	34	34	34	34	15.0	4.2
Buildings - Administrative	0	0	0	0	0	0	0	0	0	0
Buildings - Other	0	0	0	0	0	0	0	0	0	0
SUPP.0130THERBDG.000	0	0	0	0	0	0	0	0	0	0
Building Improvements	29	43	14	4	4	4	4	4	5.0	5.0
LH1.038LHBDG.000	0	0	0	0	0	0	0	0	0	0
Furniture	0	0	0	0	0	0	0	0	0	0
FURDFF.04DFURNF.000	0	0	0	0	0	0	0	0	0	0
Office Equipment	0	0	0	0	0	0	0	0	0	0
FURDFF.042OFFEQ.000	0	0	0	0	0	0	0	0	0	0
Garage/Motor Vehicle Shop Eqpt	1	1	1	1	1	1	1	1	4.0	24.8
NSUPP.100SHOPTOOL.000	85	83	13	21	19	19	19	19	2.0	8.0
Shop Tools & Work Eqpt	425	455	421	34	19	2.0	2.0	2.0	0.9	5.0
Portable Tool Eqpt	4	5	2	2	10.0	10.0	10.0	10.0	5.7	5.1
Motor Vehicles-Passenger	0	0	0	0	0	0	0	0	0	0
TRANS.061PASS.000	0	0	0	0	0	0	0	0	0	0
Motor Vehicles-1 Truck	0	0	0	0	0	0	0	0	0	0
TRANS.062TRUCK.000	0	0	0	0	0	0	0	0	0	0
Motor Vehicles-Heavy Truck	0	0	0	0	0	0	0	0	0	0
TRANS.063TRUCK.001	0	0	0	0	0	0	0	0	0	0
Special Purpose Transport Equipment	8	13	2	8	1.9	2.0	2.0	2.0	10.4	23.8
TRANS.064SPEC.000	0	0	0	0	0	0	0	0	0	0
Marine Operations	0	0	0	0	0	0	0	0	0	0
TRANS.065MAR.000	0	0	0	0	0	0	0	0	0	0
Internal Telecom-FBX & Key Intrays	2	2	3	5	5.8	5.8	5.8	5.8	0.8	4.4
INTEL.079INTRASYS.000	0	0	0	0	0	0	0	0	0	0
General Purpose/Other OSS>\$10K	41	158	145	34	3.4	3.4	3.4	3.4	14.8	21.4
(INADP.093COMPEQT.000	0	0	0	0	0	0	0	0	0	0
Cellular Radio	133	158	67	71	8.0	8.0	8.0	8.0	8.0	8.0
NTRANS.192CELLRAD.000	0	0	0	0	0	0	0	0	0	0
Terminal Equipment on Cust Prem	20	20	3	3	8.0	8.0	8.0	8.0	2.7	2.5
NORTH.300PTOIN.000	70	72	31	31	8.0	8.0	8.0	8.0	7.3	4.5
Public Telephone - Coin	25	25	7	7	8.0	8.0	8.0	8.0	4.7	4.1
NORTH.300PTOTHR.000	70	72	31	31	8.0	8.0	8.0	8.0	7.3	4.5
Public Telephone - Direct	75	81	21	23	4.8	4.8	4.8	4.8	13.8	1.5
NCOMM.270ALTELEQT.000	416	548	242	345	13.8	18.0	18.0	18.0	0.7	4.3
Alarm Telemetry/Equip	30	42	18	18	13.3	13.3	13.3	13.3	11.8	4.7
Power Plant Equip - DC	5342	5878	2,640	3,083	13.5	13.8	13.8	13.8	4.7	4.4
Power Plant Equip - AC	32,312	36,278	14,813	13,489	1.8	8.2	8.2	8.2	0.1	0.8
GRAND TOTAL										

Notes:
 STL = Straight Line Depreciation
 ACCL = Accelerated Depreciation

JUL-24-00 15:12 From: AT&T

AT&T NETWORK
1998 Capital Expenditures
CIRCUIT SWITCHING

Description:	CAPITAL EXPENDITURES	
	ACAT	1998
Network Mission Critical OSS	ENDP.002NDPEQT.000	124,493,363
RTU - Switching	NCAPSW.400RTUSWT.000	33,004,322
RTU - Signaling	NCAPSW.402RTUSIG.000	61,345,862
Internal Data Network Switch	NSWT.072SWTKEY.000	0
IP Network Mission Critical	NSWT.094IPNetos.000	0
Other Switching Equipment	NSWT.100OTHSWEQT.000	114,667
Analog Switch	NSWT.112ANALSWT.000	0
Video Switch	NSWT.113VIDEOSWT.000	1,929,440
OSPS Equipment	NSWT.114OSPEQT.000	7,064,169
4ESS 1A Processor	NSWT.115PROC1A.000	132,228
4ESS 1B Processor	NSWT.116PROC1B.000	426,524,797
4ESS 3B Processor	NSWT.117PROC3B.000	94,544,098
4ESS DIF/DIUTSUTMS	NSWT.118DIFTSI.000	850,764,505
4ESS All Other	NSWT.119OTH4E.000	187,881,236
XTSI - 4ESS term & Timeslot Allocator	NSWT.120EXPKTSL.000	110,371,348
SESS Comm Module	NSWT.121COMM.000	1,160,601
SESS Switch Module	NSWT.122SWTMOD.000	31,090,331
SESS Admin Module	NSWT.123ADMINMOD.000	3,448,775
SESS All Other	NSWT.124OTHERSE.000	6,291,340
SESS - 2000	NSWT.125LOC2000.000	68,264,100
SUMMA Adjunct	NSWT.126SUMADJ.000	240
CVIS - Adjunct	NSWT.127CVISADJ.000	394,806
Central Office Digital PBX	NSWT.128COPBX.000	0
Datakit	NSWT.131DATAKIT.000	529,344
Autovan	NSWT.132AUTOSWT.000	48,885
TOTAL CIRCUIT SWITCHING		2,001,215,281

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T-811 P.20/38 Job-727

AT&T NETWORK
1998 Capital Expenditures
DATA/PACKET SWITCHING

Description:	ACAT	CAPITAL EXPENDITURES
		1998
Frame Relay Switch	NSWT.120FRELAY.000	154,192,451
1PSS Stand Alone Switch	NSWT.130PSS.000	1,494,528
ATM	NTRANS.134ATM.000	42,209,613
IP Data Packet Switching	NSWT.135IPPAKCSW.000	0
TOTAL DATA/PACKET SWITCHING		197,896,592

**AT&T NETWORK
 1998 Capital Expenditures**

SIGNALING

Description:	ACAT	CAPITAL EXPENDITURES
		1998
1NCP	NSIG.250NCP1.000	11,320
2NCP	NSIG.251NCP2.000	39,657,262
2STP	NSIG.252STP2.000	4,231,635
Segmentation Directory	NSIG.253SEGDIR.000	18,604,484
TOTAL SIGNALING		82,511,690

AT&T NETWORK
1998 Capital Expenditures

SUPPORT ASSETS

Description:	CAPITAL EXPENDITURES	
	ACAT	1998
Land	LAND.001LAND.000	2,582,515
Buildings - Central Office	BLDGS.010CENTOFF.000	397,720,400
Buildings - Administrative	BLDGS.012ADMIN.000	3,492,124
Office Equipment	FUROFF.442OFFEQT.000	1,322,948
Furniture	FURUFF.440FURNFIX.000	683
Furniture	FUROFF.443REPRO.000	17,496
Furniture	CAPLSE.365FURNFIX.000	1,171
General Purpose/Other OSS >\$10K	INADP.001COMPEQT.000	3,190,358
Internal Telecom-PBX & Key IntraSys	INTEL.015INTRASYS.000	0
Leasehold Improvement	LHL.030LHBDG.000	1,802,538
Land Improvements	LNDIMP.002IMPROVE.000	8,957
Other Land Improvements	LNDIMP.003OTHERIMP.000	0
Alarm Telemetry/Eqpt	NCOMM.270ALTELEQT.000	8,208,817
Power Plant Equip - DC	NCOMM.271PPEDC.000	105,570,728
Power Plant Equip - AC	NCOMM.272PPEAC.000	14,855,884
Public Telephone - Coin	NOTH.300PTCOIN.000	38,870
Public Telephone - Coinless	NOTH.301PTCLESS.000	175,031
Public Telephone - Other	NOTH.303PTOTHER.000	190,198
Terminal Eqpt/Located on Cust Prem	NOTH.354CPETERM.000	14,323,878
Garage/Motor Vehicle Shop Eqpt	NSUPP.100SHOPEQT.000	0
Shop Tools & Work Eqpt	NSUPP.101SHOPTOOL.000	6,815,870
Portable Test Eqpt	NSUPP.102PTE.000	28,202,947
Cellular Radio	NTRANS.192CELLRAD.000	(21,843)
Buildings Other	SUPP.013OTHERBDG.000	1,108
Building Improvements	SUPP.015BDGIMP.000	0
Aircraft	TRANS.000AIRCRAFT.00	154,305
Motor Vehicles-Passanger	TRANS.001PASS.000	7,554
Motor Vehicles-LT Truck	TRANS.002LTRUCK.000	38,842
Motor Vehicles - Heavy Truck	TRANS.003HVTRUCK.000	0
Special Purpose Transport Equipment	TRANS.004SPECPUR.000	2,383,421
Marine Operations	TRANS.005MARINE.000	0
TOTAL SUPPORT ASSETS		588,295,271

AT&T NETWORK
1998 Capital Expenditures
TRANSPORT - OUTSIDE PLANT

Description:	ACAT	CAPITAL EXPENDITURES
		1998
Radio Towers	BLDGS.011RADTWR.000	741,561
Regenerator Huts	BLDGS.018REGHUT.000	966,810
Deep Sea Regenerators - Digital	NOSP.200DSREPF.000	11,157,196
Telephone Poles	NOSP.202POLES.000	70,718
Telephone - Poles ROW	NOSP.203POLESROW.000	0
Guyed Towers	NOSP.204GUYTWR.000	0
Aerial Cable - Fiber	NOSP.205ACFIBER.000	58,787
Aerial Cable - Metallic	NOSP.206ACMETAL.000	0
Underground Cable - Fiber	NOSP.207UGFIBER.000	22,487,420
Underground Cable - Metallic	NOSP.208UGMETAL.000	0
Buried Cable - Fiber	NOSP.209BCFIBER.000	29,987,122
Buried Cable - Fiber ROW	NOSP.210BCFROW.000	6,354,826
Buried Cable - Metallic	NOSP.211BCMETAL.000	265
Buried Cable Metallic ROW	NOSP.212BCMROW.000	0
Submarine Cable - Fiber	NOSP.213SCFIBER.000	173,596
Submarine Cable - Fiber ROW	NOSP.214CFROW.000	0
Submarine Cable - Metallic	NOSP.215SCMETAL.000	0
Deep Sea Cable - Fiber	NOSP.216DSCFIBER.000	24,026,791
Deep Sea Cable - Metallic	NOSP.217DSCMETAL.000	1,762,999
Aerial Wire	NOSP.221AERWIRE.000	0
Conduit Systems	NOSP.222CONDUIT.000	6,305,310
Conduit Systems ROW	NOSP.223CONDROW.000	91,574
Intra Building Cable - Metallic	NOTH.355CPEWIRE.000	0
Earth Station	NTRANS.103EARSTA.000	8,626,232
Satellite	NTRANS.104SATRAD.000	26,721,793
Deep Sea Repeaters- Analog	NTRANS.201DSREPM.000	174,409
TOTAL TRANSPORT - OUTSIDE PLANT		139,708,420

JUL-24-00 15:12 From: AT&T

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T-811 P. 24/38 Job-727

AT&T NETWORK
1998 Capital Expenditures
TRANSPORT - CENTRAL OFFICE

Description:	ACAT	CAPITAL EXPENDITURES
		1998
Circuit Analog	NTRANS.143OTHANAL.000	119,333
DACS I	NTRANS.141DACSL.000	628,081
DACS II/CE/CEPT	NTRANS.142DACSH.000	118,129,588
DACS III	NTRANS.148DACSH.000	166,981,808
DACS IV	NTRANS.147DACSH.000	251,357,548
DDM100	NTRANS.148DDM100.000	83,913,268
Channel Banks	NTRANS.149CHANBK.000	(331,908)
Other Digital Mux	NTRANS.140DTHDIG.000	173,222,702
SDH-Interface Eqpt	NTRANS.151SDHINT.000	19,403,731
DDM200: ADM LTE	NTRANS.152DDM200.000	10,750,843
Inverse Mux (IM/OC3-SH)	NTRANS.153INVMUX.000	113,270
Subscriber Loop Carrier	NTRANS.154SLC.000	6,031,304
Business Remote Carrier	NTRANS.155BRT.000	18,225
DSX 1B	NTRANS.156DSX.000	38,783,677
Echo Cancelers	NTRANS.157ECHO.000	98,480,588
NCOEHLI	NTRANS.158NCOE.000	48,811,890
FT Series G Lightguide Term Eqpt (OAR&R)	NTRANS.159FTSG.000	4,748,957
FT2000 ADM LTE (+DWDM Mux) SONET	NTRANS.161FT2000.00	338,371,618
TTE Cable Term Equip - PDH	NTRANS.162TTEPDH.000	1,432,586
TTE Cable Term Equip - SDH	NTRANS.163TTESDH.000	28,002,961
SDCS (Sonet DACS)	NTRANS.160SDCS.000	0
Analog Radio	NTRANS.190ANALRAD.000	3,805,828
Digital Radio	NTRANS.191DIGRAD.000	8,218,290
Non Cellular Radio	NTRANS.195CELLRAD.000	0
IP Modems Routers	NTRANS.164PMODROU.000	0
TOTAL TRANSPORT CENTRAL OFFICE		1,838,747,985
GRAND TOTAL		4,828,378,218

JUL-24-00 15:13 From:AT&T

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T-911 P.25/38 JOB-121

JUL-24-00 13:13 From: AT&T
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T-011 P. 26/38 Job-727

AT&T NETWORK 1998 Capital Expenditures

<u>Description</u>	CAPITAL EXPENDITURES
	1998
TOTAL CIRCUIT SWITCH	2,001,215,281
TOTAL DATA/PACKET SWITCHING	197,896,592
TOTAL SIGNALING	62,513,690
TOTAL SUPPORT ASSETS	588,295,271
TOTAL TRANSPORT - OUTSIDE PLANT	139,709,420
TOTAL TRANSPORT - CENTRAL OFFICE	1,938,747,965
GRAND TOTAL	4,928,378,219

JUL-24-00 15:13 FROM:AT&T

AT&T Network Remaining Economic Lives CIRCUIT SWITCHING

Description	ACAT*	1999					Details	AFM Implementation
		1995	1996	1997	1998	1999		
Network Mission Critical OSS	ENDP.062NDPEQT.000	2.0	1.8	3.4	3.4	3.4	3.4 years recommended by A.J. Sourdy	3.4 years based on Sourdy recommendation
Cellular Switch	NSWT.1110TNSWEQT.000	N/A	N/A	8.0	8.0	7.0	No new investment - recommended 1 year decrement	7 years based on 1 year decrement
Analog Switch	NSWT.112ANALSWT.000	0.5	0.5	0.5	0.5	0.5	Prior year level recommended.	.5 based on prior year
RTU - Switching	NCAPSW.400RTUSIG.000	7.8	4.8	4.4	4.8	0.7	Updated study performed	6.7 Based on 1998 Updated Study
RTU - Signaling	NCAPSW.400RTUSIG.000	7.8	4.8	4.8	4.8	5.5	Updated study performed	5.5 Based on 1998 Updated Study
SESS TA Processor	NSWT.415PROCLA.000	0.5	0.5	0.5	0.0	0.0	Account Fully Depreciated in 1998	0 life for fully depreciated asset category
SESS SA Processor	NSWT.414PROCLB.000	7.1	8.0	7.0	8.0	6.0	6 - 9 Years recommended by John Lewis	6 years based on low end of range and trend
SESS SA Processor	NSWT.414PROCLB.000	4.9	5.0	3.0	1.2	6.2	38200 with .5 life being replaced by 38210 with 7.5.	6.2 years after consultation with R. Hartman
SESS DFIDU	NSWT.414DFIDU.000	8.4	8.0	8.0	8.5	6.2	2.5 - 5.0 years recommended by John Lewis	6.2 years after consultation with R. Hartman
SESS AN DCH	NSWT.414NTHME.000	4.9	5.6	8.0	7.5	6.2	6 - 9 Years recommended by John Lewis	6.2 years after consultation with R. Hartman
SESS - SESS	NSWT.423ENPOTSLOD.000	N/A	N/A	10.0	8.8	6.2	6 - 9 Years recommended by John Lewis	6.2 years after consultation with R. Hartman
SESS Control Module	NSWT.421COMMMOD.000	4.0	5.7	10.0	8.0	8.0	4 - 8 Years recommended by North Piotrowski	6 years based on upper end
SESS Switch Module	NSWT.422SWTMMOD.000	4.0	5.7	8.0	5.4	5.0	2 - 4 Years recommended by North Piotrowski	5 years based on Shalehorn
SESS Admin Module	NSWT.420ADMMOD.000	4.0	5.7	3.0	1.0	2.0	1 year recommended by North Piotrowski	2 years based on rate of replacement in network
SESS AN DCH	NSWT.424OTHESE.000	4.0	5.7	8.0	3.0	4.5	2 - 4 Years recommended by North Piotrowski	4.5 years based on O. Shalehorn
SESS - 2000/Edge Vehicle*	NSWT.424SLDC2000.000	4.0	10.0	10.0	9.0	8.0	8 - 8 Years recommended by North Piotrowski	8 years based on upper end
BUMBA - Adjunct	NSWT.424SLUMAJ.000	4.0	4.4	4.4	4.4	4.4	4.4 years recommended by J. Cervoni	4.4 Years based on Cervoni's recommendation
CVIS - Adjunct	NSWT.427CV13ADJ.000	4.0	4.4	4.4	4.4	3.4	3.4 years recommended by A. Catalucci based on replacement rate	3.4 Years based on Catalucci recommendation
Central Office Digital PBX	NSWT.428COPBX.000	2.0	4.0	6.0	4.0	3.0	No new investment - recommended 1 year decrement	3 years based on 1 year decrement
Video Switch	NSWT.414VIDEOSWT.000	4.8	6.0	6.0	6.0	5.0	No new net investment recommended 1 year decline	5 years based on 1 year decrement
ISPS Equipment	NSWT.1140SPEQT.000	4.8	2.0	2.2	2.2	3.0	3 years recommended by N. Piotrowski	3 years based on Piotrowski recommendation
Database	NSWT.131DATAQT.000	3.4	3.0	3.0	3.0	3.0	3 years recommended by Peggy Schleyer	3 years based on Schleyer recommendation
Autovon	NSWT.132AUTOSWT.000	N/A	0.7	0.7	0.7	0.5	No new investment - recommended no change	.5 years to depreciate remaining Net Book Value in 1998
Internal Data Network Set	NSWT.072SNATHEY.000					8.0	5.6 years used for Internal Telecom - PBX	Same life as Internal Telecom - PBX
IP Network Mission Critical	NSWT.084IPMLOSS.000					3.0	New asset category for 1998 for Worldnet	3 Years based on meetings with Worldnet CFO
Network Adjunct Platform						3.0	3 years recommended by A. Catalucci	Possibly develop new account for year 2000

Straight Line method used for SESS 2000/Edge Vehicle, Network Mission Critical OSS, Internal Data Network Switch, IP Net Mission OSS.

Composites of Straight Line (pre 1988 vintages) and accelerated (Post 1988 vintages) used for other categories

*ACAT - Asset Category

AT&T Network

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T-811 P.27/38 Job-727

Remaining Economic Lives
 DATA/PACKET SWITCHING

1999
 Details

1998
 AFM Implementation

Description	ACAT*	1995	1996	1997	1998	1999	
Finis Relay Switch	MSWT.13MFRELYN.000	7.0	7.0	7.0	7.0	6.0	6 years based on Domestic plant virtually 100%. 1 Year based on C. Beritz 6 years based on Net plant weighting and trend
IPSS Stand Alone Switch	MSWT.11403IP3BQT.000	N/A	N/A	3.8	3.8	1.0	
ATM	NTRAMS.136ATN.000	8.2	7.4	7.4	7.0	6.0	
IP Data Packet Switching	MSWT.133IPPAK3WY.000					3.0	3 Years based on meetings with Worldnet CFO New asset category for 1998 for Worldnet

Straight Line Depreciation Method, except for IPSS Stand Alone which is depreciated using Accelerated Method

*ACAT - Asset Category

AT&T Network

Remaining Economic Lives
 TRANSPORT - CENTRAL OFFICE

Description	ACAT*	1999 Details					1999 AFM Implementation
		1995	1996	1997	1998	1999	
DACS I	NTRANS.141RACS1.000	0.5	0.5	0.5	0.5	0	Asset category fully depreciated in 1999 Composed of: 040 with 3, CEF with 3 ERBF with 5 per R. Ward
DACS I/CE/CEPT	NTRANS.142RACS1.000	0.5	5.0	5.0	4.0	5.0	
DACS II	NTRANS.144RACSII.000	5.2	5.4	7.0	6.0	5.0	4 Years per T. Adams Composed of DACS IV with 1 year and Alcatel 183153 with 15 years
DACS IV	NTRANS.14TRACSIV.000	5.1	5.4	7.0	7.0	4.0	
DDM 000	NTRANS.148DDM000.000	4.0	4.0	8.0	5.0	5.0	5 years per T. Adams 3.3 years per D. Morgan
Chassis Rambo	NTRANS.148DDM000.000	1.8	3.3	3.3	3.3	3.3	
International Mux	NTRANS.150NIMUX.000	N/A	N/A	5.0	5.0	5.0	5 years per D. Morgan 5 years per D. Morgan
Other Digital Mux	NTRANS.150NIMUX.000	3.0	5.0	5.0	5.0	5.0	
SDM Interarea Equip	NTRANS.151SDMINT.000	N/A	N/A	5.0	5.0	5.0	5 years per D. Morgan 5 years per D. Morgan
DDM 000, ADM LIE	NTRANS.152DDM000.000	4.0	4.0	4.0	4.0	5.0	
Inverse Mux (BKOCS-GRU)	NTRANS.153INMUX.000	N/A	4.0	4.0	4.0	0.5	0 years per D. Morgan
Subscriber Loop Carrier	NTRANS.154SLC.000	N/A	10.0	10.0	10.0	10.0	Assets to be transferred to TCG per Kelly Kennedy Assets to be transferred to TCG per Kelly Kennedy
Business Remote Carrier	NTRANS.155BRT.000	N/A	10.0	10.0	10.0	10.0	
DCX V3	NTRANS.158DCX.000	4.0	3.8	7.0	6.0	5.0	4 Years per T. Adams
Echo Cancellers	NTRANS.159ECHO.000	4.1	4.1	4.1	4.1	3.0	Cell Beta estimate was 3 years Cell Beta estimate was 3 years
NDOCELL	NTRANS.159NDOCELL.000	3.0	2.8	2.8	2.8	3.0	
New Cellular Radio	NTRANS.159NCELLRAD.000	N/A	5.0	5.0	5.0	5.0	No remaining plant
FT Service to LIE	NTRANS.159FTSG.000	3.0	2.2	3.0	3.0	3.0	2 years per T. Adams 10 years for domestic and 11 years for int'l per T. Adams and Delta
FT2000 ADM LIE (+BNDM Mux) SONET	NTRANS.161FT2000.000	5.7	10.0	14.9	11.0	11.0	
Circuit Analog	NTRANS.163CIRKAL.000	0.5	0.5	0.5	0.5	0.5	No major additions planned - plant almost fully depreciated.
TIE Cable Term Equip - POM	NTRANS.163TIEPOM.000	N/A	N/A	5.0	2.0	1.5	1.5 Years based on per Cable analysis by T. Marzoco
TIE Cable Term Equip - SDM	NTRANS.163TIESDM.000	N/A	N/A	5.0	6.0	5.0	5 Years based on per Cable analysis by T. Marzoco
8448 Light Guide Terminal	NTRANS.164LGT8448.000	N/A	N/A	0.4	0.4	0.5	0.5 years per A. Hestain
SDCS/SONET DAACS	NTRANS.160SDCS.000	-	-	-	0.0	7.0	7 years per John Heatonig
Analog Radio	NTRANS.160ANALRAD.000	0.5	0.5	0.5	0.5	0.5	No major additions planned
Digital Radio	NTRANS.160DIGRAD.000	4.8	5.0	5.0	5.0	3.0	3 years per T. Adams
Birth Station	NTRANS.169EARSTA.000	11.5	11.0	11.0	11.0	11.0	11 per D. Morgan

Accelerated Depreciation Method except for SDCS and FT2000 which is depreciated using Straight Line Method

AT&T Network Remaining Economic Lives SIGNALING

*ACAT - Asset Category

Description	ACAT*					1999 Details	1998 AFM Implementation
	1995	1996	1997	1998	1998		
NSIG-24MCP1.000	1.2	2.8	0.5	0.5	0.3	0.25 years per Nominat System Composed of XACT (7 to 8 year) and DS (4.5 years per M. System)	Asset category is fully depreciated in 1998 6 years based on C. Data
NSIG-24MCP2.000	3.2	4.2	1.9	0.9	0.8		
NSIG-25STP2.000	2.0	4.2	4.2	4.2	5.0		
25STP						0.5 years per Nominat System and OMT of 4.6 per 2. structure and DS, AS-SIS (1 to 1 year) and this (1 to 2 years) var. 2. Category index	7 years based on midpoint
Segmented on Based on	NSIG-24MCP1.000	NSIG-24MCP2.000	NSIG-25STP2.000	NSIG-25STP2.000	NSIG-25STP2.000		

Depreciation Method: Accelerated
 *ACAT - Asset Category

SUPPORT ASSETS

Description	ACAT*	1995	1996	1997	1998	1999	
Land Improvements	LANDIMP.01SOTHEIMP.000	10.0	10.0	10.0	10.0	10.0	10 years based on meetings with other units
Buildings - Central Office	BLDGS.010CENIOFF.000	15.0	16.0	16.0	16.0	16.0	16 years based on meeting with other units
Buildings - Administrative	BLDGS.012ADMML.000	15.0	14.8	14.8	14.8	15.0	15 years based on meeting with other units
Buildings - Other	SUPP.013OTHEBDDG.000					16.0	16 years based on meeting with other units
Building - Improvements	SUPP.015BDGIMP.000					5.0	5 years based on meetings with other units
Leasehold Improvements	LHI.02MLHEIDG.000	5.0	5.0	5.0	5.0	5.0	5 years based on meetings with other units
Furniture	FURFUP.040FURFUD.000	1.1	0.8	0.8	0.8	0.8	5 years based on meetings with other units
Office Equipment	FURDFF.040OFFEQT.000	3.0	4.3	4.3	4.3	1.0	1 year based on meeting with other units
Office Equipment (Auto & Office Appl.)	FURDFF.040OFFEQT.000	3.0	4.3	4.3	4.3	4.0	4 years based on meetings with other units
Office Equipment (See Value)	FURDFF.040OFFEQT.000	3.0	4.3	4.3	4.3	4.0	4 years based on meetings with other units
Garage/Motor Vehicle Shop Eqpt	NSUPP.005SHOPEQT.000	1.8	1.9	1.9	1.9	1.9	4 years based on meetings with other units
Garage/Motor Vehicle Shop Eqpt of SV	NSUPP.005SHOPEQT.000	1.8	1.9	1.9	1.9	2.0	2 years based on meetings with other units
Shop Tools & Work Eqpt	NSUPP.005SHOPEQT.000	1.8	1.9	1.9	1.9	2.0	2 years based on meetings with other units
Other Shop & Work Eqpt	NSUPP.005SHOPEQT.000	1.8	1.9	1.9	1.9	2.0	2 years based on meetings with other units
Aircraft	TRANS.080AIRCRAFT.000	N/A	10.0	10.0	10.0	10.0	10 years based on meetings with other units
Motor Vehicles - Passenger	TRANS.080PASS.000	0.5	0.5	0.5	0.5	0.5	.5 years based on meetings with other units
Motor Vehicles - Light Trucks	TRANS.080LTLTRUCK.000	0.5	0.5	0.5	0.5	0.5	.5 years based on meetings with other units
Motor Vehicles - Heavy Trucks	TRANS.080HVTTRUCK.000	0.5	0.5	0.5	0.5	0.5	.5 years based on meetings with other units
BEARERS	TRANS.080BEARER.000	3.1	2.1	2.1	N/A	N/A	Assets sold off
Graphs	TRANS.080GRAPH.000	3.1	2.1	2.1	N/A	N/A	Assets sold off
Special Purpose Transport Equipment	TRANS.080SPE.000	1.8	1.9	1.9	1.9	2.0	2 years
Marine Operations Equipment	TRANS.080MARINE.000	3.1	2.1	2.1	2.1	2.0	2 years
Internal Telecomm-FRM & Key Intrays	INTTEL.070INTRSYS.000	2.0	4.0	5.8	5.8	5.8	5.8 years
General Purpose Computers of SV	INADP.060COMPEQT.000	2.0	1.8	3.4	3.4	3.4	3.4 years based on meetings with other units
General Purpose Data (OSS > \$10K)	INADP.060COMPEQT.000	2.0	1.8	3.4	3.4	3.4	3.4 years based on meetings with other units
Computers-Other Data Proc Eqpt >10K	INADP.060COMPEQT.000	2.0	1.8	3.4	3.4	3.4	3.4 years based on meetings with other units
Cellular Radio	NTRANS.100CELLRAD.000	N/A	N/A	0.5	0.5	0.5	.5 years based on meetings with other units
Portable Test Equipment	NSUPP.100PTE.000	1.8	1.9	1.9	1.9	2.0	2 years based on meetings with other units
Terminal Eqpt Located on Cust Prem	NOTH.060CPETERM.000	8.0	8.0	8.0	8.0	8.0	8 years based on meeting with other units
Terminal Eqpt Located on Cust Prem	NOTH.060CPETERM.000	8.0	8.0	8.0	8.0	8.0	8 years based on meeting with other units
Public Telephone - Coin	NOTH.060PTC01A.000	7.0	8.0	8.0	8.0	8.0	8 years based on meeting with other units
Public Telephone - Coinless	NOTH.060PTC02A.000	7.0	8.0	8.0	8.0	8.0	8 years based on meeting with other units
Public Telephone - Other	NOTH.060PTC03A.000	7.0	8.0	8.0	8.0	8.0	8 years based on meeting with other units
Alarm/Telemetry Eqpt	NCOMM.070ALTELEQT.000	4.5	5.0	4.8	4.8	S/L	Straight Line based on discussions with C. Sells
Power Plant Equip - DC	NCOMM.070PPDC.000	13.0	15.0	13.0	13.0	S/L	Straight Line based on discussions with C. Sells
Power Plant Equip - AC	NCOMM.070PPAC.000	13.0	15.0	13.0	13.0	S/L	Straight Line based on discussions with C. Sells

Depreciation Method: Straight Line

*ACAT - Asset Category

**AT&T NETWORK
 RESERVE RATIO
 CIRCUIT SWITCHING**

	ACAT	(\$M) INVESTMENT 1/1/98	(\$M) INVESTMENT 1/1/99	(\$M) RESERVE 1/1/98	(\$M) RESERVE 1/1/99	RESERVE RATIO 1998	RESERVE RATIO 1999
Network Mission Critical OSS	ENDP.092NDPEQT.000	1,589	1,406	(958)	(1,052)	-60.28%	-74.87%
Analog Switch	NSWT.112ANALSWT.000	1	1	(1)	(1)	-175.41%	-116.48%
RTU - Switching	NCAPSW.400RTUSWT.000	545	562	(298)	(367)	-54.70%	-65.25%
RTU - Signaling	NCAPSW.402RTUSIG.000	37	171	(7)	(31)	-18.89%	-18.38%
4ESS 1A Processor	NSWT.115PROC1A.000	41	41	(46)	(45)	-111.54%	-110.42%
4ESS 1B Processor	NSWT.116PROC1B.000	70	181	(42)	(51)	-59.58%	-50.72%
4ESS 3B Processor	NSWT.117PROC3B.000	266	340	(230)	(258)	-86.51%	-75.84%
4ESS DIF/DIU/TSI/TMS	NSWT.118DIFTSI.000	3,679	4,735	(2,778)	(3,046)	-75.51%	-64.33%
4ESS All Other	NSWT.1190TH4E.000	1,489	1,539	(1,077)	(1,130)	-71.83%	-73.40%
XTSI - 4ESS term & Timeslot allocator	NSWT.120EXPXTSI.000	37	141	(1)	(9)	-2.67%	-6.45%
5ESS Comm Module	NSWT.121COMM000.000	36	33	(27)	(24)	-74.32%	-73.83%
5ESS Switch Module	NSWT.122SWTMOD.000	513	489	(381)	(387)	-74.26%	-79.18%
5ESS Admin Module	NSWT.123ADMINMOD.000	5	6	(2)	(5)	-44.41%	-92.03%
5ESS All Other	NSWT.124OTHER5E.000	708	689	(586)	(588)	-82.74%	-85.51%
5ESS - 2000	NSWT.125LOC2000.000	23	43	(5)	(9)	-21.28%	-21.22%
SUMMA Adjunct	NSWT.126SUMADJ.000	23	23	(1)	(9)	-4.32%	-37.85%
CMS - Adjunct	NSWT.127CVISADJ.000	44	44	(29)	(34)	-66.03%	-76.77%
Central Office Digital PBX	NSWT.128COPBX.000	9	5	(1)	(3)	-10.97%	-50.81%
Video Switch	NSWT.113VIDEOSWT.000	8	9	(3)	(4)	-38.16%	-40.01%
OSPS Equipment	NSWT.114OSPEQT.000	80	84	(24)	(53)	-30.18%	-62.79%
Datakit	NSWT.111DATAKIT.000	39	38	(32)	(36)	-82.07%	-95.18%
Autovan	NSWT.112AUTOSWT.000	0	3	0	(3)	0.00%	-107.82%
IP Network Mission Critical	NSWT.094IPNetoss.000	0	2	0	0	0.00%	0.00%
TOTAL CIRCUIT SWITCHING		9,253	10,503	(6,529)	(7,153)	-70.56%	-68.11%

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**AT&T NETWORK
 RESERVE RATIO
 DATA/PACKET SWITCHING**

	ACAT	(\$M) INVESTMENT 1/1/98	(\$M) INVESTMENT 1/1/99	(\$M) RESERVE 1/1/98	(\$M) RESERVE 1/1/99	RESERVE RATIO 1998	RESERVE RATIO 1999
Frame Relay Switch	NSWT.129FRELAY.000	246	327	(26)	(73)	-10.73%	-22.31%
IPSS Stand Alone Switch	NSWT.114OSPSEQT.000	56	57	(53)	(54)	-95.27%	-95.51%
ATM	NTRANS.134ATM.000	31	86	(7)	(19)	-21.51%	-22.43%
IP Data Packet Switching	NSWT.135PPAKCSW.000	0	116	8	(22)	100.00%	-18.76%
TOTAL DATA/PACKET SWITCHING		333	586	(86)	(169)	-25.91%	-28.75%

**AT&T NETWORK
 RESERVE RATIO
 TRANSPORT - CENTRAL OFFICE**

	ACAT	(\$M) INVESTMENT 1/1/98	(\$M) INVESTMENT 1/1/99	(\$M) RESERVE 1/1/98	(\$M) RESERVE 1/1/99	RESERVE RATIO 1998	RESERVE RATIO 1999
Circuit Analog	NTRANS.143DTHANAL.000	164	164	(168)	(170)	-102.75%	-103.20%
DACS 1	NTRANS.141DACSI.000	157	152	(161)	(155)	-102.79%	-101.82%
DACS II/CEFICPT	NTRANS.142DACSH.000	462	538	(362)	(405)	-78.27%	-75.25%
DACS III	NTRANS.146DACSHI.000	305	654	(345)	(398)	-60.35%	-60.83%
DACS IV	NTRANS.147DACSHV.000	525	756	(146)	(253)	-27.81%	-33.45%
DDM1000	NTRANS.148DDM1000.000	678	742	(540)	(605)	-79.65%	-81.65%
Channel Banks	NTRANS.149CHANBK.000	83	85	(76)	(73)	-91.27%	-92.44%
Other Digital Mux	NTRANS.140OTHDIG.000	1,358	1,469	(1,208)	(1,263)	-89.00%	-86.01%
SDH-Interface Eqpt	NTRANS.151SDHINT.000	29	48	(5)	(18)	-16.15%	-33.91%
DDM2000-ADM LTE	NTRANS.152DDM2000.000	2	15	(0)	(4)	-7.73%	-23.30%
Inverse Mux (IMVOC3-SIU)	NTRANS.153INVMUX.000	5	6	(4)	(5)	-77.89%	-91.57%
Subscriber Loop Carrier	NTRANS.154SLC.000	6	12	(0)	(1)	-2.06%	-7.84%
Business Remote Carrier	NTRANS.155BRT.000	2	1	(0)	(0)	-6.62%	-18.22%
DSX 1/3	NTRANS.156DSX.000	428	473	(278)	(329)	-64.94%	-68.51%
Echo Cancelers	NTRANS.157ECHO.000	1,695	1,731	(1,648)	(1,672)	-97.21%	-96.60%
NCOEHLI	NTRANS.158NCOE.000	396	434	(350)	(390)	-88.29%	-89.78%
FT Series G Lightguide Term Eqpt (OAR)	NTRANS.159FTSG.000	1,774	1,804	(1,535)	(1,703)	-86.55%	-94.42%
FT2000 ADM LTE (+DWDM Mux) SONET	NTRANS.161FT2000.00	973	1,919	(73)	(294)	-7.51%	-15.32%
TTE Cable Term Equip - PDH	NTRANS.162TTEPDH.000	158	141	(111)	(140)	-70.11%	-98.64%
TTE Cable Term Equip - SDH	NTRANS.163TTESDH.000	163	168	(60)	(94)	-36.92%	-53.89%
IP Modems Routers	NTRANS.164IPMODROU.000	0	55	0	(4)	100.00%	-7.85%
Analog Radio	NTRANS.190ANALRAD.000	68	65	(60)	(66)	-87.17%	-101.38%
Digital Radio	NTRANS.191DIGRAD.000	714	721	(707)	(717)	-98.98%	-99.42%
Non Cellular Radio	NTRANS.195NCELLRAD.000	0	-	0	-	100.00%	0.00%
SDCS (Sonal DACS)	NTRANS.160SDCS.000	0	0	0	0	100.00%	-72.06%
TOTAL TRANSPORT - Central Office		10,345	12,155	(7,836)	(8,759)	-75.74%	-72.06%

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**AT&T NETWORK
 RESERVE RATIO
 SIGNALING**

ACAT		(\$M) INVESTMENT 1/1/98	(\$M) INVESTMENT 1/1/99	(\$M) RESERVE 1/1/98	(\$M) RESERVE 1/1/99	RESERVE RATIO 1998	RESERVE RATIO 1999
1NCP	NSIG.250NCP1.000	42	48	(48)	(51)	-115.70%	-104.86%
2NCP	NSIG.251NCP2.000	85	122	(20)	(46)	-23.91%	-38.15%
2STP	NSIG.252STP2.000	184	182	(144)	(169)	-78.19%	-87.83%
Segmentation Directory	NSIG.253SEGDIR.000	44	84	(2)	(20)	-4.50%	-23.20%
TOTAL SIGNALING		355	436	(215)	(276)	-60.46%	-63.35%

**AT&T NETWORK
 RESERVE RATIO
 TRANSPORT - OUTSIDE PLANT**

ACAT		(\$M) INVESTMENT 1/1/98	(\$M) INVESTMENT 1/1/99	(\$M) RESERVE 1/1/98	(\$M) RESERVE 1/1/99	RESERVE RATIO 1998	RESERVE RATIO 1999
Radio Towers	BLOGS.011RADTWR.000	416	424	(297)	(310)	-71.40%	-73.21%
Regenerator Huts	BLOGS.018REGHUT.000	4	7	(0)	(0)	-3.17%	-6.34%
Deep Sea Regenerators - Digital	NOSP.200DSREPF.000	653	633	(365)	(417)	-55.95%	-65.92%
Deep Sea Repeaters	NTRANS.194SATRAD.000	0	44	0	(54)	100.00%	-121.49%
Telephone Poles	NOSP.202POLES.000	21	23	(19)	(19)	-90.74%	-82.53%
Telephone - Poles ROW	NOSP.203POLESROW.000	0	0	(0)	(0)	-28.58%	-38.67%
Guyed Towers	NOSP.204GUYTWR.000	1	1	(1)	(1)	-99.90%	-99.90%
Aerial Cable - Fiber	NOSP.205ACFIBER.000	77	91	(32)	(36)	-41.13%	-39.11%
Aerial Cable - Metallic	NOSP.206ACMETAL.000	0	0	(2)	(2)	-731.41%	-1077.37%
Underground Cable - Fiber	NOSP.207UGFIBER.000	366	377	(209)	(221)	-57.12%	-58.73%
Underground Cable - Metallic	NOSP.208UGMETAL.000	10	10	(41)	(41)	-426.73%	-426.52%
Buried Cable - Fiber	NOSP.209BCFIBER.000	2,209	2,220	(1,219)	(1,297)	-55.17%	-58.41%
Buried Cable - Fiber ROW	NOSP.210BCFROW.000	248	249	(67)	(81)	-27.14%	-32.74%
Buried Cable - Metallic	NOSP.211BCMETAL.000	88	91	(87)	(77)	-99.12%	-84.79%
Buried Cable Metallic ROW	NOSP.212BCMROW.000	4	4	(0)	(3)	-5.88%	-66.36%
Submarine Cable - Fiber	NOSP.213SCFIBER.000	28	28	(26)	(26)	-92.89%	-93.52%
Submarine Cable - Fiber ROW	NOSP.214CFROW.000	1	1	(0)	(0)	-24.92%	-30.79%
Submarine Cable - Metallic	NOSP.215SCMETAL.000	2	2	(1)	(1)	-67.40%	-83.78%
Deep Sea Cable - Fiber	NOSP.217DSCFIBER.000	1,204	1,164	(414)	(471)	-34.40%	-40.46%
Deep Sea Cable - Metallic	NOSP.219DSCMETAL.000	94	78	(71)	(83)	-75.70%	-107.29%
Aerial Wire	NOSP.221AERWIRE.000	2	2	(3)	(3)	-158.20%	-160.03%
Conduit Systems	NOSP.222CONDUIT.000	746	753	(137)	(158)	-18.37%	-20.98%
Conduit Systems ROW	NOSP.223CONDROW.000	32	32	(4)	(5)	-13.42%	-15.27%
Intra Building Cable - Metallic	NDTH.355CPEWIRE.000	1	0	(1)	-	-91.54%	0.00%
Earth Station	NTRANS.193EARSTA.000	447	450	(323)	(323)	-72.10%	-71.79%
Satellite	NTRANS.194SATRAD.000	29	44	(9)	(13)	-32.42%	-30.74%
TOTAL TRANSPORT - OUTSIDE PLANT		6,684	6,727	(3,330)	(3,644)	-49.82%	-54.17%

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AT&T NETWORK RESERVE RATIO SUPPORT ASSETS

ACAT		(\$M) INVESTMENT 1/1/98	(\$M) INVESTMENT 1/1/99	(\$M) RESERVE 1/1/98	(\$M) RESERVE 1/1/99	RESERVE RATIO 1998	RESERVE RATIO 1999
Land Improvements	LNDIMP.002IMPROVE.000	0	0	(0)	(0)	-2.75%	-15.55%
Other Land Improvements	LNDIMP.003OTHERIMP.000	-	-	-	-	0.00%	0.00%
Buildings - Central Office	BLDGS.010CENTOFF.000	3,089	4,084	(1,701)	(1,769)	-43.73%	-43.32%
Buildings - Administrative	BLDGS.012ADMIN.000	82	68	(39)	(34)	-46.81%	-49.78%
Buildings Other	SUPP.013OTHERBDG.000	0	-	0	-	100.00%	0.00%
Building Improvements	SUPP.015BDGIMP.000	0	0	0	-	100.00%	0.00%
Leasehold Improvement	LHL.030LHIBDG.000	29	43	(25)	(29)	-85.12%	-67.73%
Furniture	FURUFF.040FURNFIX.000	0	-	0	-	100.00%	0.00%
Office Equipment	FUROFF.042OFFEQ.000	6	3	-	0	0.00%	12.22%
Garage/Motor Vehicle Shop Eqpt	NSUPP.100SHOPEQT.000	1	0	(1)	(0)	-52.41%	-74.44%
Shop Tools & Work Eqpt	NSUPP.101SHOPTOOL.000	85	93	(72)	(72)	-84.99%	-77.60%
Portable Test Eqpt	NSUPP.102PTE.000	425	455	(426)	(421)	-100.20%	-92.56%
Aircraft	TRANS.060AIRCRAFT.000	4	5	(2)	(2)	-44.97%	-48.70%
Motor Vehicles-Passanger	TRANS.061PASS.000	0	-	0	-	100.00%	0.00%
Motor Vehicles-LT Truck	TRANS.062LTTRUCK.000	0	-	-	-	0.00%	0.00%
Motor Vehicles - Heavy Truck	TRANS.063HVTRUCK.000	0	-	-	-	0.00%	0.00%
Special Purpose Transport Equipment	TRANS.064SPECPUR.000	8	13	(7)	(7)	-80.96%	-52.89%
Marine Operations	TRANS.065MARINE.000	0	0	(0)	0	-88.99%	134.69%
Internal Telecom-PBX & Key Intrasys	INTEL.075INTRASYS.000	2	2	(7)	3	-287.07%	113.71%
General Purpose/Other OSS>\$10K	INADP.093COMPEQT.000	41	150	(43)	(5)	-106.67%	-3.31%
Cellular Radio	NTRANS.192CELLRAD.000	0	7	0	(8)	100.00%	-104.80%
Terminal Eqpt Located on Cust Prem	NOTH.354CPETERM.000	133	150	(66)	(80)	-49.32%	-53.01%
Public Telephone - Coin	NOTH.300PTCOIN.000	20	20	(17)	(17)	-84.04%	-86.33%
Public Telephone - Coinless	NOTH.301PTCLESS.000	70	72	(39)	(44)	-56.04%	-61.13%
Public Telephone - Other	NOTH.303PTOTHER.000	25	25	(18)	(19)	-71.93%	-75.60%
Alarm Telemetry/Eqpt	NCOMM270ALTELEQT.000	75	87	(54)	(64)	-72.44%	-73.18%
Power Plant Equip - DC	NCOMM271PPEDC.000	416	548	(174)	(203)	-41.75%	-37.04%
Power Plant Equip - AC	NCOMM272PPEAC.000	30	42	(12)	(16)	-41.35%	-37.99%
TOTAL SUPPORT ASSETS		5,344	5,870	(2,701)	(2,787)	-50.54%	-47.48%