

ORIGINAL

M E M O R A N D U M

DECEMBER 4, 2002

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (CHRISTENSEN) *PAC*

RE: DOCKET NO. 990649B-TP - INVESTIGATION INTO PRICING OF UNBUNDLED NETWORK ELEMENTS (SPRINT/VERIZON TRACK).

Attached are two charts which were provided at the December 2, 2002, Agenda Conference and are to be entered into the above-referenced docket file. Table 2a-1 provides a Deaveraging Analysis (Non-Collapsed) and Table 2a-2 provides Alternative Deaveraging Proposals.

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TABLE 2a-1: STAFF Deaveraging Analysis - Non-Collapsed

Band	Wire Centers	Total Lines	Percent Lines	Rate
1	4	111,921	5.11%	\$ 10.82
2	28	817,425	37.29%	\$ 17.63
3	29	749,058	34.17%	\$ 24.68
4	20	265,211	12.10%	\$ 33.61
5	28	202,255	9.23%	\$ 49.81
6	8	23,091	1.05%	\$ 72.70
7	7	12,795	0.58%	\$ 95.15
8	8	9,366	0.43%	\$ 131.07
9	1	744	0.03%	\$ 263.09
	133	2,191,866	100.00%	\$ 26.20

Sprint Proposed

Band	Wire Centers	Total Lines	Percent Lines	Rate
1	27	828,559	37.80%	\$ 18.58
2	54	1,115,056	50.87%	\$ 30.26
3	52	248,251	11.33%	\$ 66.91
	133	2,191,866	100.00%	\$30.00

Source: EXH 1, Exhibits MRH-3 and Revised MRH-2.

TABLE 2a-2: Alternative Deaveraging Proposals (Staff Costs)

Alternative 1				
Band	Wire Centers	Total Lines	Percent Lines	Rate
1	32	929,346	42.40%	\$ 16.81
2	29	749,058	34.17%	\$ 24.68
3	20	265,211	12.10%	\$ 33.61
4	52	248,251	11.33%	\$ 57.98
	133	2,191,866	100.00%	\$ 26.20
Alternative 2				
Band	Wire Centers	Total Lines	Percent Lines	Rate
1	32	929,346	42.40%	\$ 16.81
2	29	749,058	34.17%	\$ 24.68
3	72	513,462	23.43%	\$ 45.40
	133	2,191,866	100.00%	\$26.20

Alternative 3				
Band	Wire Centers	Total Lines	Percent Lines	Rate
1	4	111,921	5.11%	\$ 10.82
2	28	817,425	37.29%	\$ 17.63
3	29	749,058	34.17%	\$ 24.68
4	20	265,211	12.10%	\$ 33.61
5	52	248,251	11.33%	\$ 57.98
	133	2,191,866	100%	\$ 26.20
Alternative 4				
Band	Wire Centers	Total Lines	Percent Lines	Rate
1	4	111,921	5.11%	\$ 10.82
2	28	817,425	37.29%	\$ 17.63
3	29	749,058	34.17%	\$ 24.68
4	72	513,462	23.43%	\$ 45.40
	133	2,191,866	100.00%	\$ 26.20