

EXHIBIT NO. 39

DOCKET NO.: 030867-TL, 030868-TL, 030869-TL, 030961-TL

WITNESS: CONFIDENTIAL STIP-1

PARTY: VERIZON

DESCRIPTION:

1. CONFIDENTIAL DN 08885-03 Verizon's responses to OPC's 1st Request for Production of Documents, Nos. 2, 3, 11, 12, and 31.

PROFFERING PARTY: STAFF

I.D. # CONFIDENTIAL STIP-1

001069

CONFIDENTIAL

030867-TL

UNE-PLATFORM CHARACTERISTICS

LINE	ELEMENT	SOURCE	2002
	USAGE ASSUMPTIONS	FL	
1	TOTAL DIAL EQUIPMENT MINUTES	ARMIS 43-04	66,466,000,000
2	AVERAGE ACCESS LINES FOR STUDY PERIOD	ARMIS 43-08	2,331,100
3	AVERAGE MINUTES OF USE PER LINE PER MONTH	(L 1/L 2)/12	2376
4	LOCAL MOU PERCENTAGE OF TOTAL	STUDY INPUT	80.00%
5	TOTAL LOCAL MINUTES OF USE	L 3 x L 4	1,901
6	PERCENT ORIGINATING	1 - L 7	50.00%
7	PERCENT TERMINATING	STUDY INPUT	50.00%
8	AVERAGE LOCAL MOUs PER MONTH - ORIGINATING	L 5 x L 6	950
9	AVERAGE LOCAL MOUs PER MONTH - TERMINATING	L 5 x L 7	950
10	INTRA-SWITCH CALL PERCENTAGE	STUDY INPUT	35.00%
11	LOCAL TRANSPORTED CALLS VIA TANDEM (%)	STUDY INPUT	20.00%
12	LOCAL CALL DIRECT ROUTED PERCENTAGE	(1-L 10) x (1-L 11)	52.00%
13	LOCAL CALL TANDEM ROUTED PERCENTAGE	(1-L 10) x L 11	13.00%
14	INTRA-SWITCH LOCAL MOUs	L 8 x L 10	333
15	DIRECT ROUTED LOCAL MOUs	L 8 x L 12	494
16	TANDEM ROUTED LOCAL MOUs	L 5 x L 13	124
17	INTRALATA TOLL MOU PERCENTAGE	STUDY INPUT	5.00%
18	INTRALATA TOLL TOTAL MOUs	L 3 x L 17	119
19	INTRALATA TOLL TOTAL MOUs - ORIGINATING	L 6 x L 18	59
20	INTRALATA TOLL TOTAL MOUs - TERMINATING	L 7 x L 18	59
21	INTRALATA TOLL DIRECT ROUTED - PERCENT	1 - L 22	80.00%
22	INTRALATA TOLL TANDEM ROUTED - PERCENT	STUDY INPUT	20.00%
23	INTRALATA TOLL DIRECT ROUTED	L 19 x L 21	48
24	INTRALATA TOLL TANDEM ROUTED	L 19 x L 22	12
25	INTERLATA/IXC MOU PERCENTAGE	STUDY INPUT	15.00%
26	INTERLATA/IXC MOUs	L 3 x L 25	356
27	INTERLATA/IXC MOUs - ORIGINATING	L 6 x L 26	178
28	INTERLATA/IXC MOUs - TERMINATING	L 7 x L 26	178
29	INTERLATA/IXC MOUs DIRECT ROUTED - PERCENT	1 - L 30	80.00%
30	INTERLATA/IXC MOUs TANDEM ROUTED - PERCENT	STUDY INPUT	20.00%
31	INTERLATA/IXC MOUs DIRECT ROUTED	L 27 x L 29	143
32	INTERLATA/IXC MOUs TANDEM ROUTED	L 27 x L 30	36
33	TOTAL ORIGINATING MOUs	L 8 + L 19 + L 27	1,188
34	TOTAL TERMINATING MOUs	L 9 + L 20 + L 28	1,188
35	ORIGINATING INTER OFFICE LOCAL MOUs	L 8 x (1 - L 10)	618
36	TOTAL TERMINATING MOUs END OFFICE TRUNK	L 9 x (1 - L 10)	618
37	INTRALATA TOLL TRANSPORT MOU - ORIGINATING	L 19	59
38	INTRALATA TOLL TRANSPORT MOU - TERMINATING	L 20	59
39	INTERLATA/IXC TRANSPORT MOU-ORIGINATING	L 27	178

CONFIDENTIAL

This confidentiality request was filed by or for a "telco" for DN 08885-03. 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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DOCUMENT NUMBER-DATE
08885 SEP 18 2002
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FPSC-COMMISSION 9 ERK

CURRENT ESTIMATED SUPPORT

RESIDENCE

<u>Service Description</u>	<u>Annualized Units</u>	<u>Present Rate</u>	<u>Present Rate w/EUCL</u>	<u>Ordered UNE-P*</u>	<u>Estimated Support</u>
Basic Local Exchange Service Flat Rate - 1 Party Service/Business					
Rate Group 1	27,830	\$10.12	\$16.62	\$35.75	-53.51%
Rate Group 2	-	\$10.95	\$17.45		
Rate Group 3	1,661,055	\$11.33	\$17.83	\$31.27	-42.98%
Rate Group 4	1,785,468	\$11.70	\$18.20	\$28.72	-36.63%
Rate Group 5	11,514,061	\$12.10	\$18.60	\$23.90	-22.18%

CURRENT ESTIMATED SUPPORT

BUSINESS

<u>Service Description</u>	<u>Annualized Units</u>	<u>Present Rate</u>	<u>Present Rate w/EUCL</u>	<u>Ordered UNE-P*</u>	<u>Estimated Support</u>
Basic Local Exchange Service Flat Rate - 1 Party Service/Business					
Rate Group 1	3,922	\$24.47	\$30.97	\$35.75	-13.37%
Rate Group 2	-	\$26.82	\$33.32		
Rate Group 3	229,906	\$28.05	\$34.55	\$31.27	10.49%
Rate Group 4	286,200	\$28.85	\$35.35	\$28.72	23.08%
Rate Group 5	2,092,547	\$30.35	\$36.85	\$23.90	54.18%

Note: UNE-P amounts are as filed and do not include retail marketing & advertising, directory assistance, and retail directory listing costs.

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CURRENT ESTIMATED SUPPORT

RESIDENCE

<u>Service Description</u>	<u>Annualized Units</u>	<u>Present Rate</u>	<u>Present Rate w/EUCL</u>	<u>Ordered UNE-P*</u>	<u>Estimated Support</u>
Basic Local Exchange Service Flat Rate - 1 Party Service/Business					
Rate Group 1	27,830	\$10.12	\$16.62	\$31.89	-47.88%
Rate Group 2	-	\$10.95	\$17.45		
Rate Group 3	1,661,055	\$11.33	\$17.83	\$27.89	-36.07%
Rate Group 4	1,785,468	\$11.70	\$18.20	\$25.62	-28.96%
Rate Group 5	11,514,061	\$12.10	\$18.60	\$21.32	-12.76%

CURRENT ESTIMATED SUPPORT

BUSINESS

<u>Service Description</u>	<u>Annualized Units</u>	<u>Present Rate</u>	<u>Present Rate w/EUCL</u>	<u>Ordered UNE-P*</u>	<u>Estimated Support</u>
Basic Local Exchange Service Flat Rate - 1 Party Service/Business					
Rate Group 1	3,922	\$24.47	\$30.97	\$31.89	-2.88%
Rate Group 2	-	\$26.82	\$33.32		
Rate Group 3	229,906	\$28.05	\$34.55	\$27.89	23.88%
Rate Group 4	286,200	\$28.85	\$35.35	\$25.62	37.98%
Rate Group 5	2,092,547	\$30.35	\$36.85	\$21.32	72.84%

Note: UNE-P amounts are as filed - adjusted for the removal of Commission approved common cost - and do not include retail marketing & advertising, directory assistance, and retail directory listing costs.

001072

FL - Res E911 Listings As of 5/1/03 - KH#3
Pivot Table I - CLEC Only for Valid NPAs

Company Type	CLEC
State2	FL

Sum of Count	Class Of Service	
	Residence	Grand Total
BTI_FL_CLEC	2	2
BTI_NC_CLEC	1	1
CITY_OF_LKLD_FL_CLEC	1	1
FL_MULTIMEDIA_CLEC	856	856
ICI_NATL_TEL_CLEC	1	1
INTERMEDIAL_COM_CLEC	634	634
ITC_DELTAGOM_CLEC	11	11
KMC_TELECOM_CLEC	8	8
KMC_TELECOM_FL_CLEC	1	1
MCI_METRO_CLEC	5	5
MPWR_MGC_FL_CLEC	14	14
SBCT_FL_CLEC	56	56
TIME_WARNER_CLEC	1	1
USLEC_ARCS_CLEC	4	4
USLEC_CLEC	5	5
WINSTAR_TELECOM_CLEC	2	2
XOXO_FL_CLEC	13	13
Grand Total	1,615	1,615

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VERIZON - FL

Competitive Profile

As of 2/28/03 (Except for E-911 Data which is provided as of 5/1/03)

MSA	RETAIL		RESALE		UNE-P		Facilities-Based Competition	
	Residence	Business	Residence	Business	Residence	Business	Residence	Business
Bradenton FL	148,864	42,863	1,406	783	49	467	2	3,947
Lakeland-Winter Haven FL	217,676	73,443	3,651	1,186	145	592	3	12,066
Sarasota FL	208,500	74,390	1,207	894	93	1,124	6	14,055
Tampa-St Petersburg FL	1,080,954	427,106	13,180	5,337	1,179	1,616	1,800	180,397
Total	1,655,694	617,802	19,444	8,169	1,466	3,798	1,611	210,465

UNE Density Zone	RETAIL		RESALE		UNE-P		Facilities-Based Competition	
	Residence	Business	Residence	Business	Residence	Business	Residence	Business
1	316,770	236,146	5,328	2,045	480	806	309	101,585
2	995,864	305,089	10,379	5,077	863	2,360	1,026	97,903
3	348,960	76,567	3,737	1,047	133	632	276	10,977
Total	1,655,694	617,802	19,444	8,169	1,466	3,798	1,611	210,465

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VERIZON - FL
Competitive Profile
As of 2/28/03 (Except for

MSA	Total Competitive **		Competitive Market Share **			Facilities-Based Competitive Market Share		
	Residence	Business	Residence	Business	Total	Residence	Business	Total
Bradenton FL	1,457	6,167	1.0%	10.6%	3.3%	0.0%	8.2%	2.0%
Lakeland-Winter Haven FL	3,799	13,843	1.7%	15.9%	5.7%	0.0%	13.6%	3.9%
Sarasota FL	1,306	16,073	0.6%	17.8%	5.8%	0.0%	15.5%	4.7%
Tampa-St. Petersburg FL	15,959	187,349	1.5%	30.5%	11.9%	0.1%	29.4%	10.6%
Total	22,521	222,432	1.3%	26.5%	9.7%	0.1%	25.0%	8.4%

UNE Density Zone	Total Competitive **		Competitive Market Share **			Facilities-Based Competitive Market Share		
	Residence	Business	Residence	Business	Total	Residence	Business	Total
1	6,117	104,436	1.9%	30.7%	16.8%	0.1%	29.8%	15.5%
2	12,258	105,340	1.2%	25.7%	8.3%	0.1%	23.9%	7.0%
3	4,146	12,656	1.2%	14.2%	3.8%	0.1%	12.3%	2.5%
Total	22,521	222,432	1.3%	26.5%	9.7%	0.1%	25.0%	8.4%

** Competitive Lines include Resale, UNE-P, and Facilities-Based Competition

KH Supplemental Data Request
Retail DID and Retail Business By State
For 12 Selected States Only (where E-911 Data Is Available)
As of 2/28/03

	Retail DID Trunks	Retail Business Lines	% DID/Retail Bus
DC		682,767	0.0%
DE		197,160	0.0%
FL	7,068	617,802	1.1%
MA	22,376	1,338,370	1.7%
MD		1,316,388	0.0%
ME	1,894	187,102	1.0%
NH	2,064	185,697	1.1%
NJ		2,063,366	0.0%
NY	99,564	3,176,286	3.1%
RI	1,880	159,774	1.2%
VA		1,532,531	0.0%
WV		200,248	0.0%
Grand Total	134,846	11,657,491	1.2%

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FLORIDA Revenue Location Code	Exchange	Rate Group	Lines	Deaverged Zone	Zone Rate	Revenue per wire center	Revenue per Rate Group	Total Lines	Average per Rate Group
FROSTPROOF	FROSTPROOF	1	6,008	3	\$ 27.54	\$ 185,480.32			
INDIAN LAKE	INDIAN LAKE	1	1,592	3	\$ 27.54	\$ 43,843.68	\$ 209,304.00	7,600	\$ 27.54
ENGLEWOOD	ENGLEWOOD	3	23,757	2	\$ 16.18	\$ 384,388.26			
NEW PORT RICHEY	NEW PORT RICHEY	3	59,910	2	\$ 16.18	\$ 969,343.80			
SEVEN SPRINGS	NEW PORT RICHEY	3	20,111	2	\$ 16.18	\$ 325,395.98			
BABSON PARK	LAKE WALES	3	3,326	3	\$ 27.54	\$ 91,598.04			
BRADLEY FL	MULBERRY	3	1,266	3	\$ 27.54	\$ 34,865.64			
DUNDEE	HAINES CITY	3	7,393	3	\$ 27.54	\$ 203,803.22			
HAINES CITY MAIN	HAINES CITY	3	18,480	3	\$ 27.54	\$ 508,939.20			
HAINES CITY NTH	HAINES CITY	3	13,085	3	\$ 27.54	\$ 360,380.90			
HUDSON	HUDSON	3	41,016	3	\$ 27.54	\$ 1,129,580.64			
LAKE WALES EAST	LAKE WALES	3	3,932	3	\$ 27.54	\$ 108,287.28			
LAKE WALES MAIN	LAKE WALES	3	16,639	3	\$ 27.54	\$ 458,238.06			
MOON LAKE	HUDSON	3	10,596	3	\$ 27.54	\$ 291,813.84			
MULBERRY	MULBERRY	3	7,148	3	\$ 27.54	\$ 196,855.92			
POINCIANA	POINCIANA	3	2,237	3	\$ 27.54	\$ 61,606.98			
ZEPHYRHILLS	ZEPHYRHILLS	3	34,588	3	\$ 27.54	\$ 952,553.52	\$ 6,077,431.28	263,484	\$ 23.07
AUBURNDALE	WINTER HAVEN	4	15,075	2	\$ 16.18	\$ 243,913.50			
CYPRESS GARDENS	WINTER HAVEN	4	14,216	2	\$ 16.18	\$ 230,014.88			
HIGHLANDS	LAKELAND	4	37,359	2	\$ 16.18	\$ 604,488.62			
LAKELAND EAST	LAKELAND	4	23,086	2	\$ 16.18	\$ 373,531.48			
LAKELAND MAIN	LAKELAND	4	49,282	2	\$ 16.18	\$ 797,382.76			
WINTER HAVEN	WINTER HAVEN	4	36,682	2	\$ 16.18	\$ 593,514.76			
ALTURAS	BARTOW	4	2,589	3	\$ 27.54	\$ 71,301.06			
BARTOW	BARTOW	4	15,350	3	\$ 27.54	\$ 422,739.00			
LAKE ALFRED	WINTER HAVEN	4	5,101	3	\$ 27.54	\$ 140,481.54			
LAKELAND NORTH	LAKELAND	4	30,084	3	\$ 27.54	\$ 828,513.36			
NORTH PORT	NORTH PORT	4	19,275	3	\$ 27.54	\$ 530,833.50			
PALMETTO	PALMETTO	4	26,139	3	\$ 27.54	\$ 719,868.06			
PARRISH	PALMETTO	4	4,208	3	\$ 27.54	\$ 115,888.32			
POLK CITY	POLK CITY	4	5,762	3	\$ 27.54	\$ 158,685.48	\$ 5,831,138.32	284,208	\$ 20.52

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FLORIDA Revenue Location Code	Exchange	Rate Group	Line	Deaverged Zone	Zone Rate	Revenue per wire center	Revenue per Rate Group	Total Lines	Average per Rate Group
ANNA MARIA	BRADENTON	5	9,121	1	\$ 12.00	\$ 109,452.00			
BEACH PARK	TAMPA CENTRAL	5	27,881	1	\$ 12.00	\$ 334,572.00			
CLEARWATER	CLEARWATER	5	63,056	1	\$ 12.00	\$ 756,792.00			
FEATHERSOUND	ST PETE	5	17,342	1	\$ 12.00	\$ 208,104.00			
GANDY	ST PETE	5	25,397	1	\$ 12.00	\$ 304,764.00			
HYDE PARK	TAMPA CENTRAL	5	24,670	1	\$ 12.00	\$ 296,040.00			
INDIAN ROCKS	CLEARWATER	5	26,427	1	\$ 12.00	\$ 317,124.00			
LARGO	CLEARWATER	5	41,905	1	\$ 12.00	\$ 502,860.00			
SARASOTA MAIN	SARASOTA	5	62,277	1	\$ 12.00	\$ 747,324.00			
SIESTA KEY	SARASOTA	5	13,679	1	\$ 12.00	\$ 164,148.00			
SOUTH GULF BEACH	ST PETE	5	19,313	1	\$ 12.00	\$ 231,756.00			
ST. ARMANDS KEY	SARASOTA	5	3,300	1	\$ 12.00	\$ 39,600.00			
ST. PETERSBURG MAIN	ST PETE	5	53,677	1	\$ 12.00	\$ 644,124.00			
ST. PETERSBURG SOUTH	ST PETE	5	25,644	1	\$ 12.00	\$ 307,728.00			
SWEETWATER	TAMPA CENTRAL	5	54,554	1	\$ 12.00	\$ 654,648.00			
TAMPA MAIN	TAMPA CENTRAL	5	65,478	1	\$ 12.00	\$ 785,736.00			
TAMPA WESTSIDE	TAMPA CENTRAL	5	49,667	1	\$ 12.00	\$ 596,004.00			
UNIVERSITY	TAMPA CENTRAL	5	51,245	1	\$ 12.00	\$ 614,940.00			
BAYOU	ST PETE	5	37,895	2	\$ 16.18	\$ 613,141.10			
BRADENTON BAY	BRADENTON	5	56,959	2	\$ 16.18	\$ 921,596.62			
BRADENTON MAIN	BRADENTON	5	44,128	2	\$ 16.18	\$ 713,991.04			
BRANDON FL	TAMPA EAST	5	82,667	2	\$ 16.18	\$ 1,337,552.08			
CARROLLWOOD	TAMPA CENTRAL	5	61,713	2	\$ 16.18	\$ 998,516.34			
COUNTRYSIDE	CLEARWATER	5	56,373	2	\$ 16.18	\$ 912,115.14			
DUNEDIN	CLEARWATER	5	27,600	2	\$ 16.18	\$ 446,568.00			
LEALMAN	ST PETE	5	44,379	2	\$ 16.18	\$ 718,052.22			
LONGBOAT KEY	SARASOTA	5	12,996	2	\$ 16.18	\$ 210,275.28			
LUTZ	TAMPA NORTH	5	18,635	2	\$ 16.18	\$ 301,514.30			
NORTH GULF BEACH	ST PETE	5	53,845	2	\$ 16.18	\$ 871,212.10			
OLDSMAR	TAMPA WEST	5	21,447	2	\$ 16.18	\$ 347,012.46			
OSPREY	VENICE	5	11,026	2	\$ 16.18	\$ 178,400.68			
PALMA SOLA	BRADENTON	5	26,769	2	\$ 16.18	\$ 433,122.42			
PASADENA	ST PETE	5	36,452	2	\$ 16.18	\$ 589,793.36			
PINELLAS	CLEARWATER	5	51,435	2	\$ 16.18	\$ 832,218.30			
SARASOTA NRTHSID	SARASOTA	5	30,294	2	\$ 16.18	\$ 490,156.92			
SARASOTA SOUTHSIDE	SARASOTA	5	52,371	2	\$ 16.18	\$ 847,362.78			
SARASOTA SPRINGS	SARASOTA	5	36,174	2	\$ 16.18	\$ 585,295.32			
SEMINOLE	TAMPA CENTRAL	5	20,455	2	\$ 16.18	\$ 330,961.90			
SKYWAY	ST PETE	5	28,899	2	\$ 16.18	\$ 467,585.82			
ST. GEORGE	CLEARWATER	5	57,974	2	\$ 16.18	\$ 938,019.32			
SULPHUR SPRINGS	TAMPA CENTRAL	5	36,708	2	\$ 16.18	\$ 593,935.44			
TAMPA EAST	TAMPA CENTRAL	5	46,404	2	\$ 16.18	\$ 750,816.72			
TARPON SPRINGS	TARPON SPRINGS	5	45,652	2	\$ 16.18	\$ 738,649.36			
TEMPLE TERRACE	TAMPA CENTRAL	5	35,833	2	\$ 16.18	\$ 579,777.94			
VENICE MAIN	VENICE	5	33,436	2	\$ 16.18	\$ 540,894.48			
VENICE SOUTH	VENICE	5	24,694	2	\$ 16.18	\$ 399,548.92			
WALLCRAFT	TAMPA CENTRAL	5	35,927	2	\$ 16.18	\$ 581,298.86			

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FLORIDA Revenue Location Code	Exchange	Rate Group	Lines	Deaverged Zone	Zone Rate	Revenues per wire center	Revenues per Rate Group	Total Lines	Average per Rate Group
YBOR	TAMPA CENTRAL	5	15,914	2	\$ 16.18	\$ 257,488.52			
ALAFIA	TAMPA CENTRAL	5	20,535	3	\$ 27.54	\$ 565,533.90			
BAYSHORE	TAMPA CENTRAL	5	1,610	3	\$ 27.54	\$ 44,339.40			
KEYSTONE	TAMPA WEST	5	18,533	3	\$ 27.54	\$ 510,398.82			
LAND O'LAKES	TAMPA NORTH	5	9,377	3	\$ 27.54	\$ 258,242.58			
MYAKKA	MYAKKA	5	3,383	3	\$ 27.54	\$ 93,167.82			
PINECREST	PLANT CITY	5	5,174	3	\$ 27.54	\$ 142,491.96			
PLANT CITY	PLANT CITY	5	33,749	3	\$ 27.54	\$ 928,447.48			
RUSKIN	TAMPA SOUTH	5	13,117	3	\$ 27.54	\$ 361,242.18			
THONOTOSASSA	TAMPA EAST	5	8,649	3	\$ 27.54	\$ 238,183.46			
WESLEY CHAPEL	TAMPA NORTH	5	20,386	3	\$ 27.54	\$ 561,430.44			
WIMAUMA	TAMPA SOUTH	5	17,293	3	\$ 27.54	\$ 476,248.22	\$ 30,323,426.96	1,931,503	\$ 15.70
							42,441,299	2,486,795	\$ 17.07

**UNE-P SERVICE RATES
FL**

LINE	ITEM	SOURCE	UNIT	Oct-02 Ordered Rates Zone 1	Oct-02 Ordered Rates Zone 2	Oct-02 Ordered Rates Zone 3
ELEMENT RATES						
1	LOOP	UNE-P RATE, L 1	PER MONTH	\$12.00	\$16.18	\$27.54
2	LINE PORT	UNE-P RATE, L 2	PER MONTH	\$2.40	\$2.40	\$2.40
3	TOTAL SWITCHING	UNE-P RATE, L 27	PER MONTH	5.36	5.36	5.36
4	LOCAL TRANSPORT	UNE-P RATE, L 15	PER MONTH	\$0.32	\$0.32	\$0.32
5	TOLL TRANSPORT	UNE-P RATE, L 21	PER MONTH	\$0.12	\$0.12	\$0.12
6	TOTAL TRANSPORT	L 4 + L 5	PER MONTH	\$0.44	\$0.44	\$0.44
7	TOTAL	LINES 1+2+3+6	PER MONTH	\$20.21	\$24.39	\$35.75

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**APPROVED UNE-PLATFORM RATES
FL**

LINE	ITEM	SOURCE	UNIT	Oct-02 Ordered Rates Zone 1	Oct-02 Ordered Rates Zone 2	Oct-02 Ordered Rates Zone 3
1	LOOP	RATE COST INPUTS, L 1	PER MONTH	\$12.00	\$16.18	\$27.54
2	LINE PORT	RATE COST INPUTS, L 2	PER MONTH	\$2.40	\$2.40	\$2.40
	LOCAL CALL TRANSPORT					
	DIRECT LOCAL TRANSPORT					
3	END OFFICE TRUNK PORT	RATE COST INPUTS, L 5	PER MOU	\$0.000000	\$0.000000	\$0.000000
4	COMMON TRANSPORT	RATE COST INPUTS, L 6	PER MOU	\$0.000166	\$0.000166	\$0.000166
5	TOTAL DIRECT ROUTED	L 3 + L 4	PER MOU	\$0.000166	\$0.000166	\$0.000166
	TANDEM ROUTED LOCAL TRANSPORT					
6	END OFFICE TRUNK PORT	RATE COST INPUTS, L 5	PER MOU	\$0.000000	\$0.000000	\$0.000000
7	COMMON TRANSPORT	RATE COST INPUTS, L 6	PER MOU	\$0.000166	\$0.000166	\$0.000166
8	TANDEM TRUNK PORTS (2)	RATE COST INPUTS, L 7 x 2	PER MOU	\$0.000000	\$0.000000	\$0.000000
9	TANDEM SWITCHING	RATE COST INPUTS, L 8	PER MOU	\$0.001586	\$0.001586	\$0.001586
10	COMMON TRANSPORT	RATE COST INPUTS, L 6	PER MOU	\$0.000166	\$0.000166	\$0.000166
11	TOTAL TANDEM ROUTED LOCAL COMPOSITE	SUM(L 6: L 10)	PER MOU	\$0.001918	\$0.001918	\$0.001918
12	PERCENT TANDEM ROUTED COMPOSITE LOCAL	UNE-P USG, L 11		20.00%	20.00%	20.00%
13	TRANSPORT LOCAL ORIGINATING	L 5 x (1-L 12)+ L 11 x L 12	PER MOU	\$0.000516	\$0.000516	\$0.000516
14	TRANSPORT MOUs LOCAL ORIGINATING	UNE-P USG, L 35		618	618	618
15	TRANSPORT TOLL AND IXC TRANSPORT	L 13 x L 14		\$0.32	\$0.32	\$0.32
16	DIRECT RATE	L 5	PER MOU	\$0.000166	\$0.000166	\$0.000166
17	TANDEM RATE	L 11	PER MOU	\$0.001918	\$0.001918	\$0.001918
18	PERCENT TANDEM ROUTED COMPOSITE TOLL	UNE-P USG, L 22		20.00%	20.00%	20.00%
19	TRANSPORT TOLL ORIGINATING	L 16 x (1-L 18) + L 17 x L 18	PER MOU	\$0.000516	\$0.000516	\$0.000516
20	TRANSPORT MOUs TOLL ORIGINATING	UNE-P USG, L 37+L 39		238	238	238
21	TRANSPORT	L 19 x L 20		\$0.12	\$0.12	\$0.12
22	ORIGINATING SWITCHING MOUs	UNE-P USG, L 8 + L 19 + L 27		1,188	1,188	1,188
23	ORIGINATING SWITCHING	RATE COST INPUTS, L 3	PER MOU	\$0.002257	\$0.002257	\$0.002257
24	TERMINATING SWITCHING TERMINATING END OFFICE	RATE COST INPUTS, L 4	PER MOU	\$0.002257	\$0.002257	\$0.002257
25	TRUNK TERMINATING SWITCHING	RATE COST INPUTS, L 5	PER MOU	\$0.000000	\$0.000000	\$0.000000
26	MOUs	UNE-P USG, L9 + L20 + L28 L 22 x L 23 +		1,188	1,188	1,188
27	TOTAL SWITCHING	(L 24+L 25) x L 26		\$5.36	\$5.36	\$5.36

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UNE-PLATFORM CHARACTERISTICS

LINE	ELEMENT	SOURCE	2002
	USAGE ASSUMPTIONS		
1	TOTAL DIAL EQUIPMENT MINUTES	FL ARMIS 43-04	66,466,000,000
2	AVERAGE ACCESS LINES FOR STUDY PERIOD	ARMIS 43-08	2,331,100
3	AVERAGE MINUTES OF USE PER LINE PER MONTH	(L 1/L 2)/12	2376
4	LOCAL MOU PERCENTAGE OF TOTAL	STUDY INPUT	80.00%
5	TOTAL LOCAL MINUTES OF USE	L 3 x L 4	1,901
6	PERCENT ORIGINATING	1 - L 7	50.00%
7	PERCENT TERMINATING	STUDY INPUT	50.00%
8	AVERAGE LOCAL MOUs PER MONTH - ORIGINATING	L 5 x L 6	950
9	AVERAGE LOCAL MOUs PER MONTH - TERMINATING	L 5 x L 7	950
10	INTRA-SWITCH CALL PERCENTAGE	STUDY INPUT	35.00%
11	LOCAL TRANSPORTED CALLS VIA TANDEM (%)	STUDY INPUT	20.00%
12	LOCAL CALL DIRECT ROUTED PERCENTAGE	(1-L 10) x (1-L 11)	52.00%
13	LOCAL CALL TANDEM ROUTED PERCENTAGE	(1-L 10) x L 11	13.00%
14	INTRA-SWITCH LOCAL MOUs	L 8 x L 10	333
15	DIRECT ROUTED LOCAL MOUs	L 8 x L 12	494
16	TANDEM ROUTED LOCAL MOUs	L 5 x L 13	124
17	INTRALATA TOLL MOU PERCENTAGE	STUDY INPUT	5.00%
18	INTRALATA TOLL TOTAL MOUs	L 3 x L 17	119
19	INTRALATA TOLL TOTAL MOUs - ORIGINATING	L 6 x L 18	59
20	INTRALATA TOLL TOTAL MOUs - TERMINATING	L 7 x L 18	59
21	INTRALATA TOLL DIRECT ROUTED - PERCENT	1 - L 22	80.00%
22	INTRALATA TOLL TANDEM ROUTED - PERCENT	STUDY INPUT	20.00%
23	INTRALATA TOLL DIRECT ROUTED	L 19 x L 21	48
24	INTRALATA TOLL TANDEM ROUTED	L 19 x L 22	12
25	INTERLATA/IXC MOU PERCENTAGE	STUDY INPUT	15.00%
26	INTERLATA/IXC MOUs	L 3 x L 25	356
27	INTERLATA/IXC MOUs - ORIGINATING	L 6 x L 26	178
28	INTERLATA/IXC MOUs - TERMINATING	L 7 x L 26	178
29	INTERLATA/IXC MOUs DIRECT ROUTED - PERCENT	1 - L 30	80.00%
30	INTERLATA/IXC MOUs TANDEM ROUTED - PERCENT	STUDY INPUT	20.00%
31	INTERLATA/IXC MOUs DIRECT ROUTED	L 27 x L 29	143
32	INTERLATA/IXC MOUs TANDEM ROUTED	L 27 x L 30	36
33	TOTAL ORIGINATING MOUs	L 8 + L 19 + L 27	1,188
34	TOTAL TERMINATING MOUs	L 9 + L 20 + L 28	1,188
35	ORIGINATING INTER OFFICE LOCAL MOUs	L 8 x (1 - L 10)	618
36	TOTAL TERMINATING MOUs END OFFICE TRUNK	L 9 x (1 - L 10)	618
37	INTRALATA TOLL TRANSPORT MOU - ORIGINATING	L 19	59
38	INTRALATA TOLL TRANSPORT MOU - TERMINATING	L 20	59
39	INTERLATA/IXC TRANSPORT MOU-ORIGINATING	L 27	178

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Verizon ESG Counterattacks!



A “do what it takes to Win” attitude, numerous promotions and **aggressive financing** options through Verizon Credit.

Enterprise Advance is the formula to move Verizon to the top. Substantial investment in an emerging market, offering high-end services not traditionally viewed as LEC offerings. ESG customers will see that Verizon has far more to offer than “branding” (i.e., “you’re just the phone company”) suggests. Tampa is currently scheduled for first phase deployment!

Breaking the “commodities seller” stigma. Network elements, boxes... they’re just commodities anymore and our customers view them as such. We must continue to emphasize our knowledge, our integration capabilities, our experience. Change the view from LEC (or ICP) to “A Professional Services Company” and join the ranks of IBM and EDS.

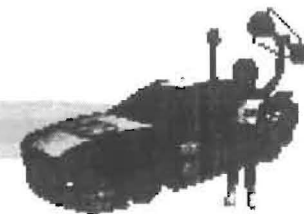
October 2002

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Other Things Verizon Can Do To Be Competitive

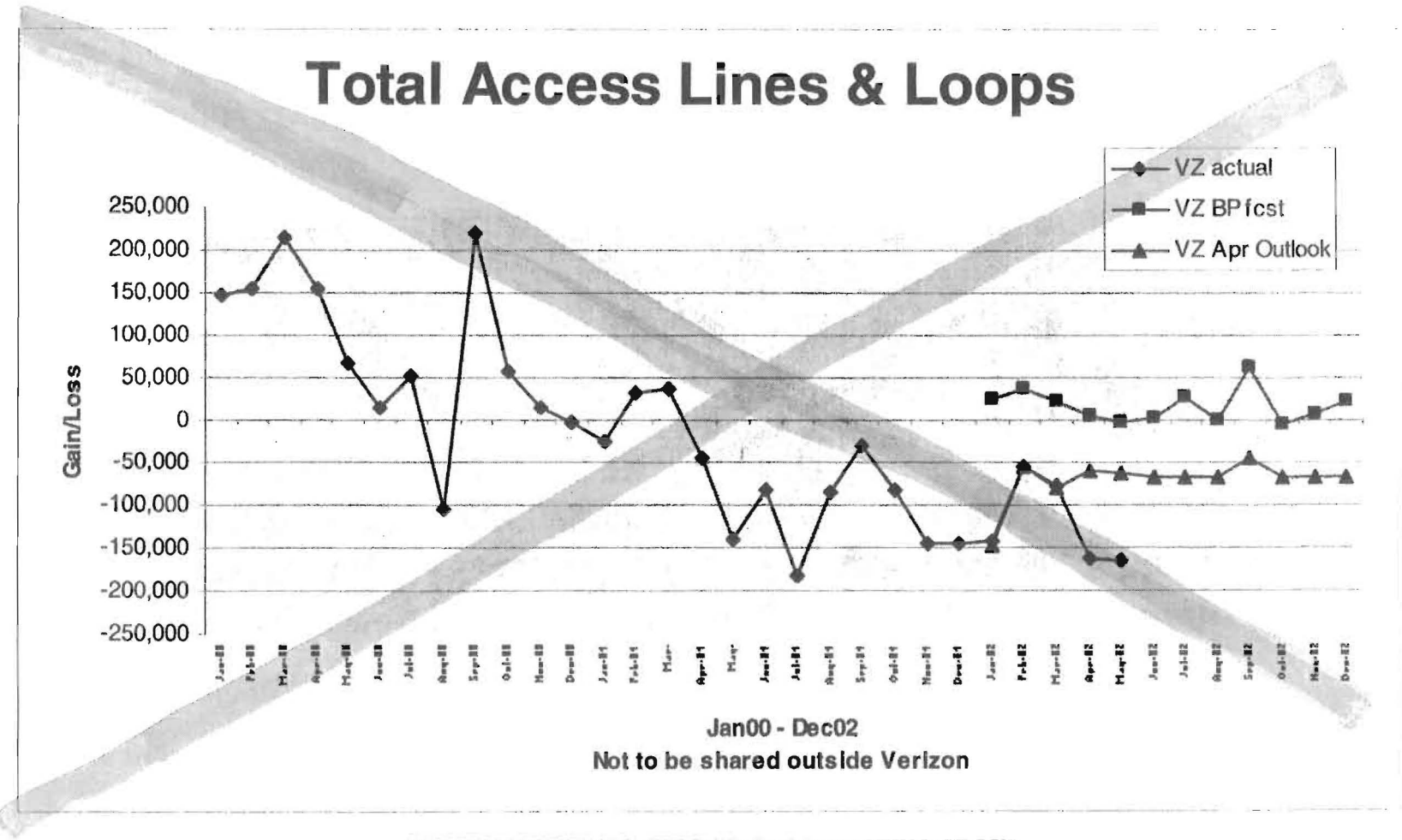


- The American mindset generally **supports the underdog** (anyone not the LEC), and progressive/higher value businesses likely subscribe to this attitude in a strong fashion. Verizon assets of **financial stability, longevity, accounting conservatism, genuine "customer first" approach, network reach** and (somewhat) **extensive products** should be combined with a strong local thrust and technologically advanced image to woo and wow business accounts.
- Stay the Course: on the ESG Level, Core elements of **Enterprise Advance** are offer-centric, which is good positioning. Stay focused on new growth areas, keep sights on broadband and other emerging technologies currently being offered by the competition or cutting edge and "catching attention". We don't have to be first-to-market, but don't be "Johnny-come-lately" either.
- Develop logical, cost-effective and phased migration plans.
- Develop Vertical packaging, bundled offerings.





Verizon Access Line January 2000 to December 2002



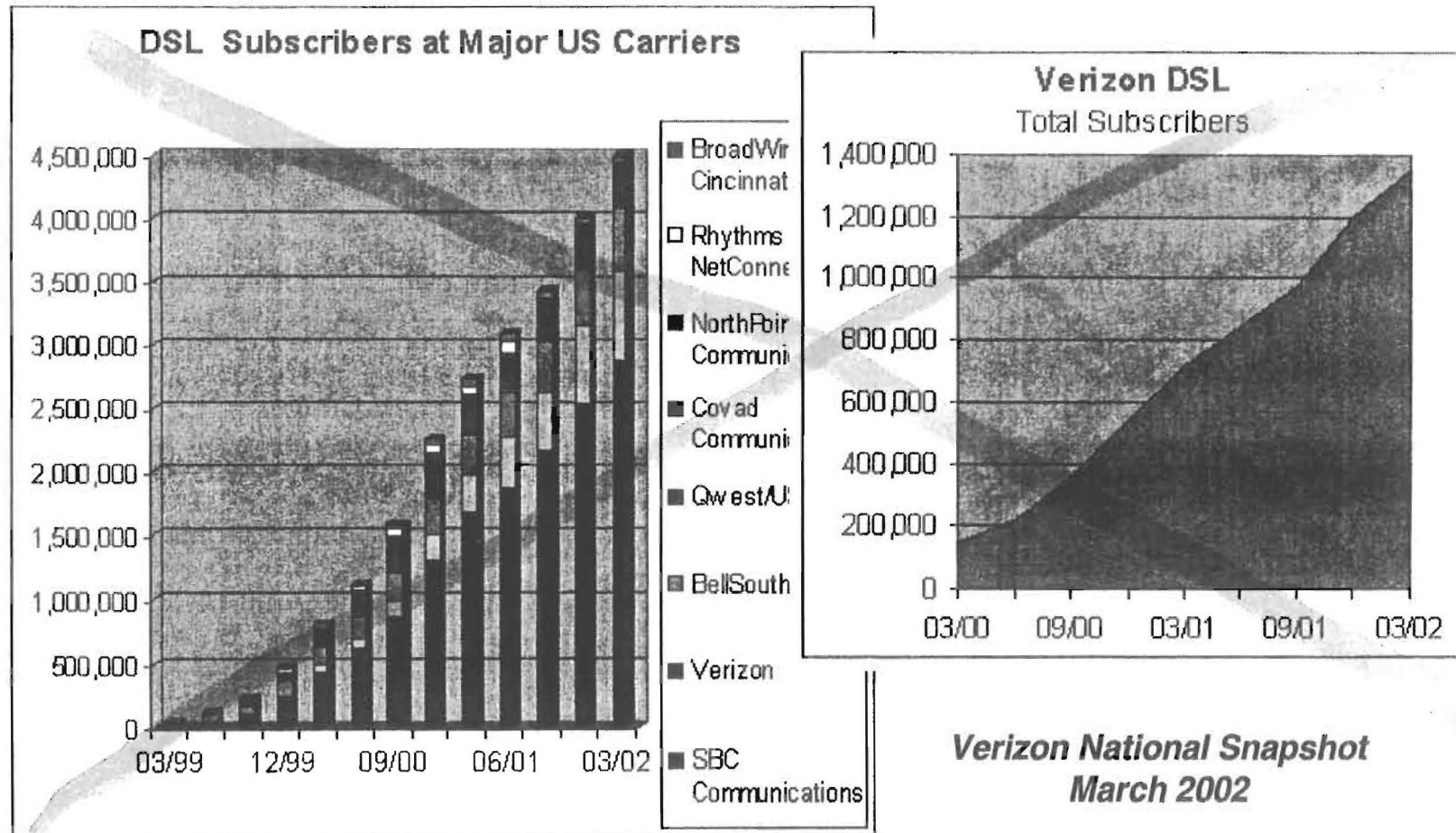
VERIZON INTERNAL, TELECOM FORECASTING GROUP

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DSL Market Penetration



National Snapshot by Provider March 2002

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Some Things Verizon is doing to Counterattack



- Verizon is aiming to increase our number of DSL subscribers by launching a promotion that features a lower introductory DSL price, faster delivery of the service and an easy, do-it-yourself installation kit that lets customers get their DSL service up and running in just three steps.
- Verizon residential customers in 6 states are able to consolidate their local, long-distance, wireless, high-speed Internet access, regional toll calling and optional services on one bill with the **ONE-BILL** option. Customers in New York, Rhode Island, New Jersey, Massachusetts, New Hampshire and Connecticut already have the ONE-BILL option.
- The Business Solutions Group has introduced a DSL and long-distance service bundle to small-business customers in Pennsylvania and Massachusetts, called **Verizon Performance Edge with DSL**, as part of a strategy to strengthen customer relationships and boost Verizon's image as a data provider.
- Numerous promotions in ESG and aggressive financing options through Verizon Credit.

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- Verizon needs to get **DSL penetration deeper into our existing markets**, which means not just enabling a central office, but being able to **guarantee the line quality** so customers can actually get the service...that might be the very best way to compete with the cable companies.
- Verizon needs to **invest in it's fiber optic network**: stay focused on new growth areas, areas where a lot of copper exists and broadband services are being offered, etc. In addition, network facility upgrades to stay current with technology changes.
- On the ESG Level, Core elements of the Growth Plan are **Offer-centric**:
 - Optical Networking, Transparent LAN Service, Fast Packet , etc.
- All employees should **be familiar with Verizon's products and services** and always be on the **lookout for potential opportunities**.
- Need to be **Customer-oriented, customer aware, customer service**.

