

DEBRA O. FULLEM
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July 23, 1996

VIA FEDERAL EXPRESS

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Timothy T. Devine Testimony filed regarding
MFS Arbitration Petitions with GTE (Docket No. 960837-TP)
and Sprint (Docket No. 960838-TP)

Dear Mrs. Bayo:

Pursuant to my conversation with Don Strickland of your office, enclosed please find certain Exhibits to the Testimony referenced above, which were inadvertently mislabelled as Exhibits 6 and 9 and now are correctly labelled as Exhibits 4 and 5. Please remove the previous Exhibits filed with the Commission (under Exhibits Tabs 4 and 5) and replace with the enclosed Exhibits. I have enclosed an original and 15 copies for each case. Please contact the undersigned should you have any questions regarding this matter. We apologize for any confusion and inconvenience. Thank you.

Sincerely,

Debra O. Fullem

Debra O. Fullem
Senior Legal Assistant

DF/par
Enclosures

cc: Lawrence R. Freedman, Esq.
Anthony Gillman, Esq., Counsel for GTE - Via Express Mail
J. Jeffrey Wahlen, Esq., Counsel for Sprint - Via Federal Express

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FPSC-RECORDS/REPORTING

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Benchmark Cost Model:

960837

A Joint Submission by

**MCI Communications Inc.
NYNEX Corporation
Sprint Corporation
U S WEST, Inc.**

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**CC Docket No. 80-286
December 1, 1995**

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FPSC-RECORDS/REPORTING

I. Executive Summary

On July 13, 1995, the Federal Communications Commission (FCC) issued a Notice of Proposed Rulemaking (NPRM) "...seeking comments on proposals and policy changes to improve...assistance mechanisms intended to provide funds necessary to promote universally available service at reasonable rates." The FCC identified four "primary principles" which should be considered in evaluating any proposals for addressing universal service. These principles provide that a plan should:

1. Be properly targeted so that support is given only to those service providers or users who need assistance to maintain local service.
2. Promote efficient investment and operation.
3. Not impose excessive subsidy costs upon interstate carriers and ratepayers.
4. Not impose barriers to competitive entry into local telecommunications.

Elsewhere in the NPRM, the FCC states:

- o "We tentatively conclude that Census Block Group is an appropriately-sized geographic area for disaggregating the costs of providing local service..."
- o "...we believe a proposal to use proxy factors to determine distribution of the Fund should receive serious consideration..."

In order that parties commenting in this proceeding may have a common source of data which utilizes both the concept of the Census Block Groups (CBGs)¹ and proxy costing, MCI, NYNEX, Sprint, and US West (Joint Sponsors) have worked together to develop a Benchmark Costing Model (BCM). This model will produce "benchmark" costs for the provision of basic telephone service² in each CBG within a state. The purpose of this study is to identify those CBGs in which the cost of providing basic telephone service is so high that some form of explicit high-cost support may be necessary as part of a universal service solution. The BCM is intended to provide the Commission, Joint Board, and other interested parties with information that can be used to evaluate the multiple proposals for the use of proxy methods set forth in the NPRM, including assessing the application of the proxy methodology to large companies only.

¹ A CBG is a geographic unit defined by the Bureau of the Census which contains approximately 400 households.

² Basic telephone service is defined as voice grade access to the public switched network with the ability to place and receive calls, residential one party service, touch tone, a white page directory listing (costs not included), and access to directory assistance, operator service, and emergency services, e.g., 911/E911.

In developing the BCM, the Joint Sponsors have further developed the previously-submitted proxy models which accounted for density and distance from the nearest central office as factors affecting the cost of service. The Joint Sponsors have also attempted to respond to the FCC's desire to see additional variables which could affect the cost of providing service, such as terrain, slope, surface characteristics, and climate included in the analysis.

The BCM presents monthly cost results using two alternative factors for determining expenses and overhead loadings associated with basic local service. One set of factors is based on historical accounting data, while the second is based on an estimate of costs and overheads using the methodology contained in the MCI/Hatfield study.

On September 12, 1995, the Joint Sponsors submitted a detailed description of the BCM Model and the results of the model for six states. On November 1, 1995, the Joint Sponsors made a second filing which provided model results for 17 additional states. In this filing the Joint Sponsors are presenting the results of this model for the remaining 26 states and the District of Columbia. (Model results are not being presented for Alaska due to data limitations). In order that this document may serve as complete summary of the BCM study, we are also including the 23 states' results and model documentation which have been submitted previously.

It is important to understand what the BCM is, and what it is not:

1. The purpose of the BCM is to identify areas where cost of service can reasonably be expected to be so high as to require explicit high cost support for the preservation of universal service.
2. The BCM produces a benchmark cost range for a defined set of basic residential telephone services assuming efficient engineering and design criteria and deployment of current state-of-the-art loop and switching technology, using the current national local exchange network topology.
3. The BCM does not define the actual cost of any telephone company, nor the embedded cost that a company might experience in providing telephone service today. Rather, the BCM provides a benchmark measurement of the relative costs of serving customers residing in given areas, i.e., the CBGs.
4. The BCM included only residential lines in the analysis, because business line source data was not readily available. However, because the primary purpose of the study is to identify high-cost CBGs, the impact of excluding business lines from the calculation of the benchmark cost in those CBGs is de minimus.

The Joint Sponsors have held four workshops to describe the workings of the BCM, and to provide copies of the copyrighted model for use by interested parties.³ These workshops were held at the following locations:

September 20, 1995	Washington, DC
September 22, 1995	Denver, CO
October 12, 1995	Portsmouth NH
November 12, 1995	New Orleans, LA

By making the model publicly available, the Joint Sponsors hope that the Commission, Joint Board and other interested parties will be able to obtain facts, data, and policy recommendations which will assist in the timely resolution of the important issues relating to universal service.

³ The Joint Sponsors grant to all parties the right to use the BCM and its results. No right is granted to license or sell the BCM, or any portion thereof, or to reverse engineer or decompile the BCM, or any portion thereof. In addition, except for inputs intended to be modified by the user, no right is granted to modify the BCM, or any portion thereof.

II. Summary Model Results

Narrative

The model results summarized below show the annual benchmark cost and the aggregate support at various illustrative price points, and assuming two different annual cost factor assumptions.

Annual benchmark cost: The actual benchmark cost for each CBG in a particular state is multiplied by the number of households in each CBG. This monthly total benchmark cost for each CBG is multiplied by 12 to yield the annual benchmark cost for each CBG; all CBG benchmark costs in a state are summed to derive the statewide annual benchmark cost.

Aggregate support: The actual benchmark cost for each CBG is compared to illustrative price points of \$20, \$30, and \$40. The difference between the benchmark costs for each CBG that exceeds the illustrative price points and the illustrative price points themselves is multiplied by the number of households in that CBG, and annualized. The result is the aggregate support in excess of the price point(s).

Annual Cost Factors: Annual Cost Factor # 1 (31.6765%) is based on historical accounting data and total expense levels of the Tier 1 LECs utilizing 1994 ARMIS Form 43-01. Annual Cost Factor # 2 (22.97%) is based on the Hatfield/MCI study approach and reflects limited expense categories and amounts.

Summary Model Results

National Total (excluding Alaska)

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	25,377,893,663	18,402,608,162
Aggregate Support		
at \$20	8,082,313,345	3,977,572,193
at \$30	4,916,517,444	2,203,441,910
at \$40	3,208,565,853	1,372,205,121
Average Monthly Cost	23.04	16.71

Alabama

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	478,219,936	346,777,956
Aggregate Support		
at \$20	188,638,903	93,725,107
at \$30	112,776,003	38,823,453
at \$40	58,728,461	16,627,173
Average Monthly Cost	26.46	19.19

Arkansas

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	359,110,029	260,406,212
Aggregate Support		
at \$20	182,192,180	102,449,522
at \$30	129,645,111	61,443,344
at \$40	89,397,329	35,000,011
Average Monthly Cost	33.56	24.34

Arizona

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	349,926,976	253,747,183
Aggregate Support		
at \$20	143,680,081	88,571,155
at \$30	116,567,996	69,202,934
at \$40	97,611,692	56,135,289
Average Monthly Cost	21.26	15.41

California

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	2,252,171,780	1,633,147,153
Aggregate Support		
at \$20	399,861,956	175,906,571
at \$30	219,697,750	110,424,413
at \$40	158,057,533	79,592,793
Average Monthly Cost	18.05	13.09

Colorado

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	397,796,384	288,459,360
Aggregate Support		
at \$20	145,584,796	82,500,786
at \$30	107,384,348	61,352,402
at \$40	86,837,762	48,949,217
Average Monthly Cost	25.80	18.71

Connecticut

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	277,481,627	201,213,927
Aggregate Support		
at \$20	45,297,251	9,885,361
at \$30	9,092,329	911,711
at \$40	1,560,221	130,686
Average Monthly Cost	18.80	13.63

Washington D.C.

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	33,429,915	24,241,477
Aggregate Support		
at \$20	386,284	11,299
at \$30	8,112	2,415
at \$40	3,495	1,350
Average Monthly Cost	11.19	8.11

Delaware

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	65,040,648	47,163,786
Aggregate Support		
at \$20	14,434,908	4,238,120
at \$30	4,293,345	478,815
at \$40	835,378	41,326
Average Monthly Cost	21.93	15.90

Florida

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	1,257,649,880	911,976,315
Aggregate Support		
at \$20	229,450,680	82,382,867
at \$30	97,122,412	37,334,524
at \$40	55,246,242	19,978,268
Average Monthly Cost	20.40	14.79

Georgia

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	780,627,398	566,066,685
Aggregate Support		
at \$20	267,771,343	119,069,714
at \$30	141,619,901	50,891,484
at \$40	76,553,683	21,630,212
Average Monthly Cost	27.49	19.93

Hawaii

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	81,958,248	59,431,470
Aggregate Support		
at \$20	22,284,469	11,262,366
at \$30	14,241,027	7,100,703
at \$40	10,163,664	4,877,087
Average Monthly Cost	19.14	13.88

Iowa

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	403,637,170	292,694,767
Aggregate Support		
at \$20	199,546,468	116,562,460
at \$30	150,158,735	77,297,749
at \$40	111,343,467	47,148,066
Average Monthly Cost	31.58	22.90

Idaho

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	177,553,490	128,751,714
Aggregate Support		
at \$20	103,131,867	63,763,202
at \$30	83,829,221	49,526,409
at \$40	69,852,699	40,482,749
Average Monthly Cost	40.94	29.69

Illinois

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	1,044,152,034	757,159,794
Aggregate Support		
at \$20	268,441,873	126,016,370
at \$30	156,399,606	68,211,635
at \$40	100,477,083	32,918,173
Average Monthly Cost	20.73	15.03

Indiana

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	509,868,562	369,727,744
Aggregate Support		
at \$20	163,189,750	78,217,366
at \$30	92,882,504	27,723,246
at \$40	43,359,413	6,343,097
Average Monthly Cost	20.58	14.93

Kansas

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	374,112,071	271,284,841
Aggregate Support		
at \$20	180,378,119	105,488,778
at \$30	136,217,572	73,798,477
at \$40	105,155,722	53,941,480
Average Monthly Cost	33.01	23.94

Kentucky

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	421,412,669	305,584,550
Aggregate Support		
at \$20	167,195,395	82,163,174
at \$30	97,677,858	28,285,108
at \$40	44,434,754	6,097,407
Average Monthly Cost	25.45	18.46

Louisiana

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	475,583,988	344,866,517
Aggregate Support		
at \$20	169,784,334	81,494,865
at \$30	99,608,332	40,846,170
at \$40	60,337,002	21,400,941
Average Monthly Cost	26.45	19.18

Massachusetts

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	353,429,526	256,287,033
Aggregate Support		
at \$20	33,687,989	11,160,712
at \$30	11,869,456	2,308,502
at \$40	3,667,359	621,926
Average Monthly Cost	13.12	9.52

Maryland

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	389,661,614	282,560,487
Aggregate Support		
at \$20	66,366,464	19,666,656
at \$30	20,298,815	3,487,514
at \$40	5,729,236	850,440
Average Monthly Cost	18.56	13.46

Maine

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	191,360,857	138,764,033
Aggregate Support		
at \$20	91,511,997	46,459,613
at \$30	56,594,204	21,991,367
at \$40	32,734,996	11,678,148
Average Monthly Cost	34.24	24.83

Michigan

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	943,057,540	683,851,805
Aggregate Support		
at \$20	257,219,226	108,343,921
at \$30	126,511,571	41,068,364
at \$40	62,266,095	18,759,626
Average Monthly Cost	22.95	16.64

Minnesota

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	582,640,216	422,497,617
Aggregate Support		
at \$20	251,057,721	138,762,089
at \$30	177,348,577	91,139,188
at \$40	130,923,818	60,126,516
Average Monthly Cost	29.46	21.36

Missouri

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	669,081,764	485,180,122
Aggregate Support		
at \$20	272,671,535	147,318,862
at \$30	186,480,015	90,000,883
at \$40	130,428,260	53,958,868
 Average Monthly Cost	 28.43	 20.61

Mississippi

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	350,124,060	253,890,097
Aggregate Support		
at \$20	167,296,837	90,535,873
at \$30	112,687,214	46,260,187
at \$40	68,893,152	20,428,355
 Average Monthly Cost	 32.04	 23.24

Montana

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	201,120,278	145,841,011
Aggregate Support		
at \$20	137,543,548	89,722,277
at \$30	120,056,275	76,350,482
at \$40	106,884,249	66,063,197
 Average Monthly Cost	 54.58	 39.58

North Carolina

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	825,143,477	598,347,219
Aggregate Support		
at \$20	277,776,407	107,179,114
at \$30	118,281,404	27,405,883
at \$40	43,540,414	7,446,739
Average Monthly Cost	27.32	19.81

North Dakota

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	146,812,703	106,460,240
Aggregate Support		
at \$20	96,802,522	62,169,500
at \$30	82,827,192	51,199,145
at \$40	71,977,605	41,956,643
Average Monthly Cost	50.60	36.69

Nebraska

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	264,249,705	191,618,889
Aggregate Support		
at \$20	143,806,566	87,092,457
at \$30	113,769,610	64,930,437
at \$40	92,052,732	49,280,510
Average Monthly Cost	36.53	26.49

New Hampshire

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	139,777,010	101,358,355
Aggregate Support		
at \$20	52,122,769	22,416,755
at \$30	25,872,915	8,246,125
at \$40	12,567,163	3,306,598
 Average Monthly Cost	 28.31	 20.53

New Jersey

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	565,502,313	410,070,182
Aggregate Support		
at \$20	66,633,260	15,651,652
at \$30	15,225,239	2,035,160
at \$40	3,448,143	574,861
 Average Monthly Cost	 16.86	 12.23

New Mexico

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	226,245,135	164,060,131
Aggregate Support		
at \$20	122,422,130	76,855,659
at \$30	101,823,826	62,386,523
at \$40	87,644,588	52,586,908
 Average Monthly Cost	 34.67	 25.14

Nevada

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	165,643,391	118,664,899
Aggregate Support		
at \$20	78,117,234	49,893,909
at \$30	66,730,979	42,737,556
at \$40	59,764,714	37,566,658
Average Monthly Cost	29.17	21.15

New York

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	1,319,717,516	956,984,242
Aggregate Support		
at \$20	262,283,383	107,288,678
at \$30	123,530,926	34,783,168
at \$40	54,031,815	11,597,610
Average Monthly Cost	16.58	12.02

Ohio

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	1,049,913,978	761,338,029
Aggregate Support		
at \$20	263,233,990	101,837,376
at \$30	115,005,171	28,342,180
at \$40	45,063,834	4,825,394
Average Monthly Cost	21.40	15.52

Oklahoma

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	385,269,452	279,375,541
Aggregate Support		
at \$20	177,458,956	101,447,067
at \$30	129,459,076	63,644,073
at \$40	92,077,577	39,784,401
Average Monthly Cost	26.59	19.28

Oregon

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	371,228,402	269,193,768
Aggregate Support		
at \$20	149,614,035	82,401,012
at \$30	105,849,712	57,091,736
at \$40	81,237,329	44,193,044
Average Monthly Cost	27.99	20.29

Pennsylvania

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	1,091,050,041	791,167,567
Aggregate Support		
at \$20	268,676,086	101,534,865
at \$30	111,900,283	27,767,054
at \$40	43,619,805	8,154,254
Average Monthly Cost	20.24	14.67

Rhode Island

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	79,973,763	57,992,434
Aggregate Support		
at \$20	9,946,661	2,171,061
at \$30	2,806,640	165,630
at \$40	277,591	27,645
Average Monthly Cost	17.67	12.82

South Carolina

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	431,266,937	312,730,306
Aggregate Support		
at \$20	156,897,627	66,996,775
at \$30	77,581,928	23,517,038
at \$40	36,152,774	7,626,747
Average Monthly Cost	28.55	20.70

South Dakota

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	159,230,001	115,464,560
Aggregate Support		
at \$20	103,918,136	65,068,292
at \$30	85,592,469	50,592,673
at \$40	71,437,397	40,271,848
Average Monthly Cost	51.02	37.00

Tennessee

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	606,503,620	439,802,003
Aggregate Support		
at \$20	210,868,030	89,856,583
at \$30	104,685,235	31,546,029
at \$40	48,862,492	9,385,469
Average Monthly Cost	27.27	19.77

Texas

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	1,834,191,976	1,330,051,922
Aggregate Support		
at \$20	614,793,792	320,505,220
at \$30	407,350,031	208,430,060
at \$40	299,254,547	142,862,708
Average Monthly Cost	25.14	18.23

Utah

	<u>Annual Cost Factor #1</u>	<u>Annual Cost Factor #2</u>
Annual Benchmark Cost	180,531,167	130,910,956
Aggregate Support		
at \$20	76,062,725	45,322,483
at \$30	59,883,425	36,850,370
at \$40	51,749,255	31,362,068
Average Monthly Cost	28.01	20.31

Virginia

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	546,405,997	396,222,618
Aggregate Support		
at \$20	168,790,330	81,488,401
at \$30	96,459,863	26,969,156
at \$40	42,412,542	6,777,592
Average Monthly Cost	19.85	14.39

Vermont

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	91,034,804	66,013,273
Aggregate Support		
at \$20	45,617,584	23,623,979
at \$30	28,814,995	10,607,622
at \$40	16,025,642	4,003,358
Average Monthly Cost	36.02	26.12

Washington

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	527,310,355	382,375,542
Aggregate Support		
at \$20	161,030,897	79,175,608
at \$30	99,668,494	51,566,769
at \$40	73,615,579	38,317,516
Average Monthly Cost	23.48	17.02

Wisconsin

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	595,045,512	431,493,234
Aggregate Support		
at \$20	230,674,953	117,769,157
at \$30	145,460,822	61,250,999
at \$40	90,485,173	29,263,954
Average Monthly Cost	27.18	19.71

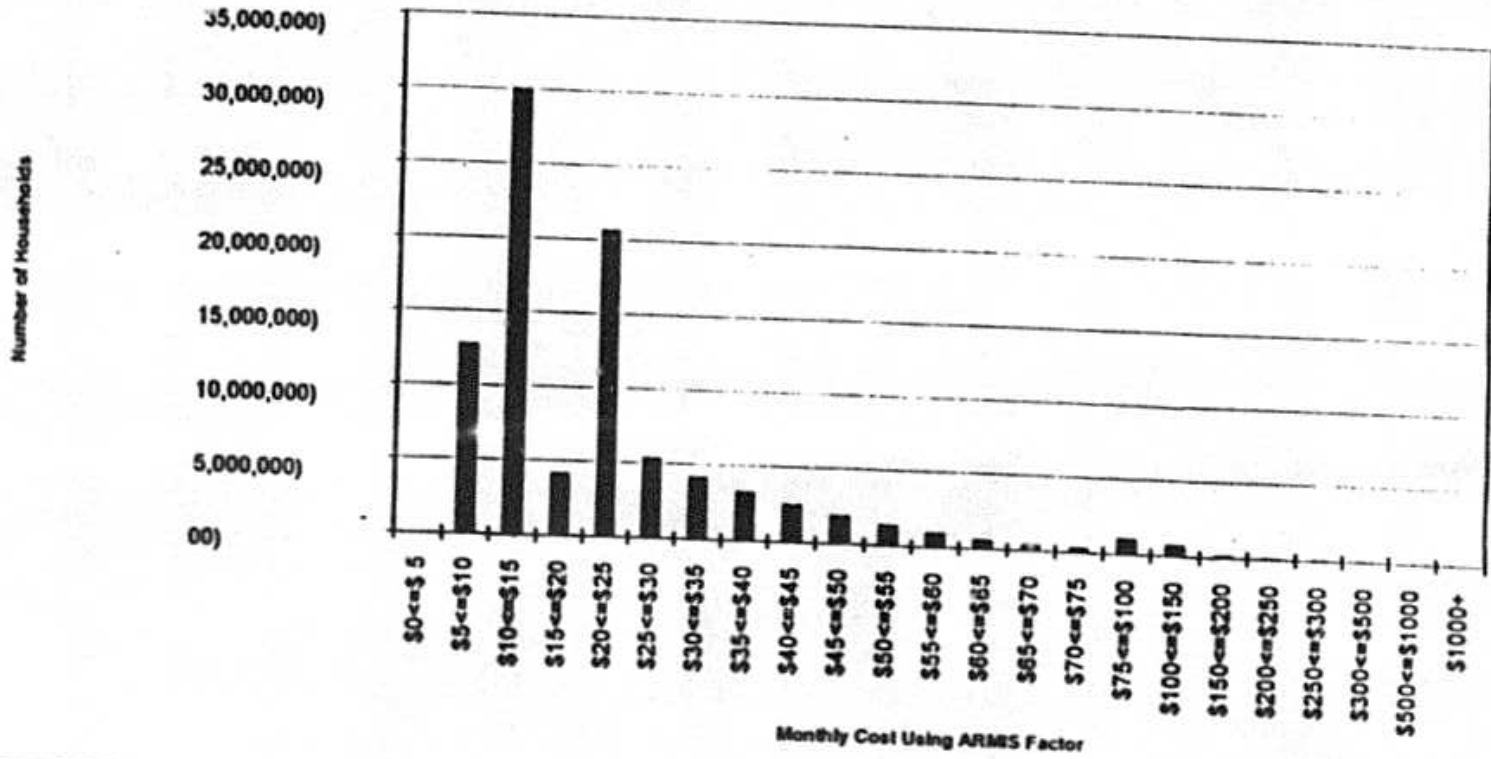
West Virginia

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	259,851,902	188,429,851
Aggregate Support		
at \$20	113,295,618	53,915,812
at \$30	64,033,087	21,365,155
at \$40	32,502,772	7,907,421
Average Monthly Cost	31.44	22.80

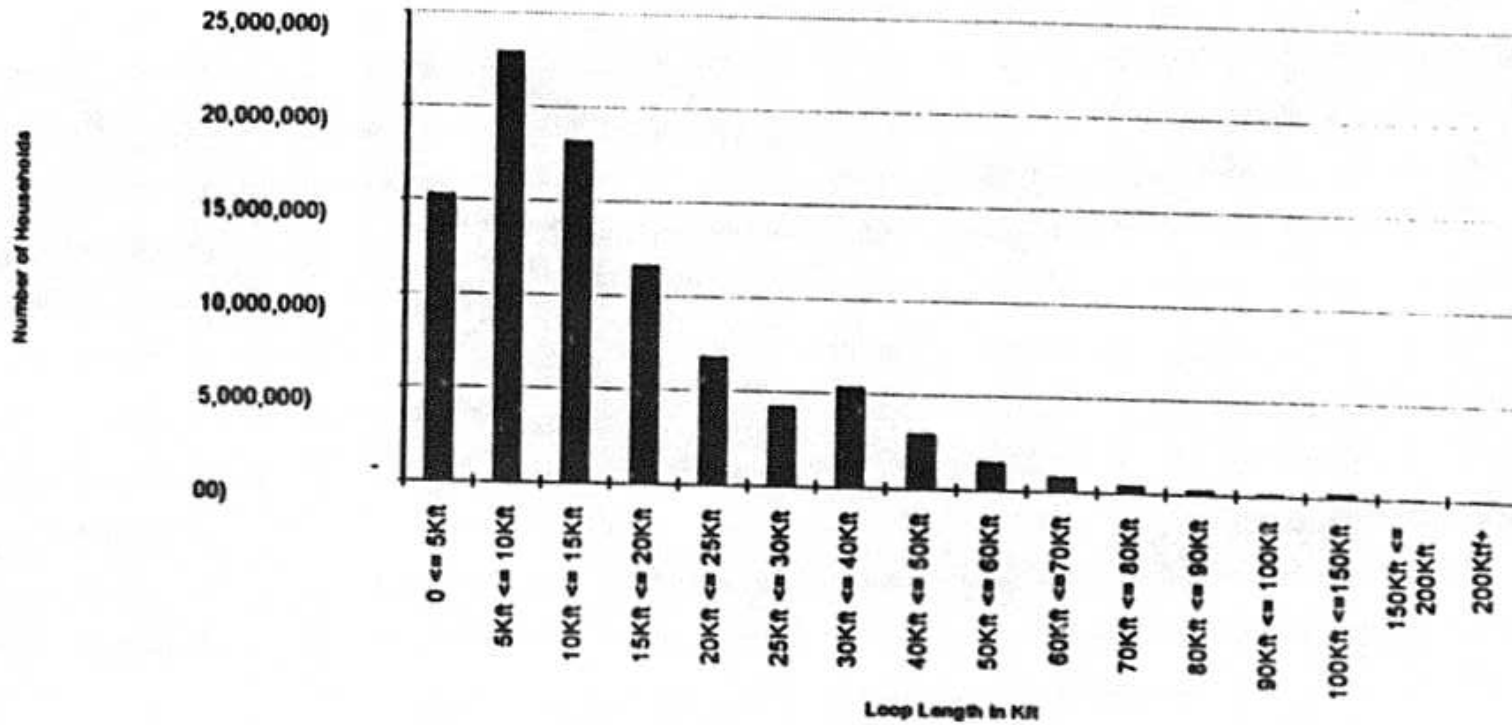
Wyoming

	Annual Cost Factor #1	Annual Cost Factor #2
Annual Benchmark Cost	97,785,846	70,908,746
Aggregate Support		
at \$20	62,863,560	40,290,691
at \$30	53,675,833	33,749,892
at \$40	47,281,605	29,342,775
Average Monthly Cost	48.14	34.91

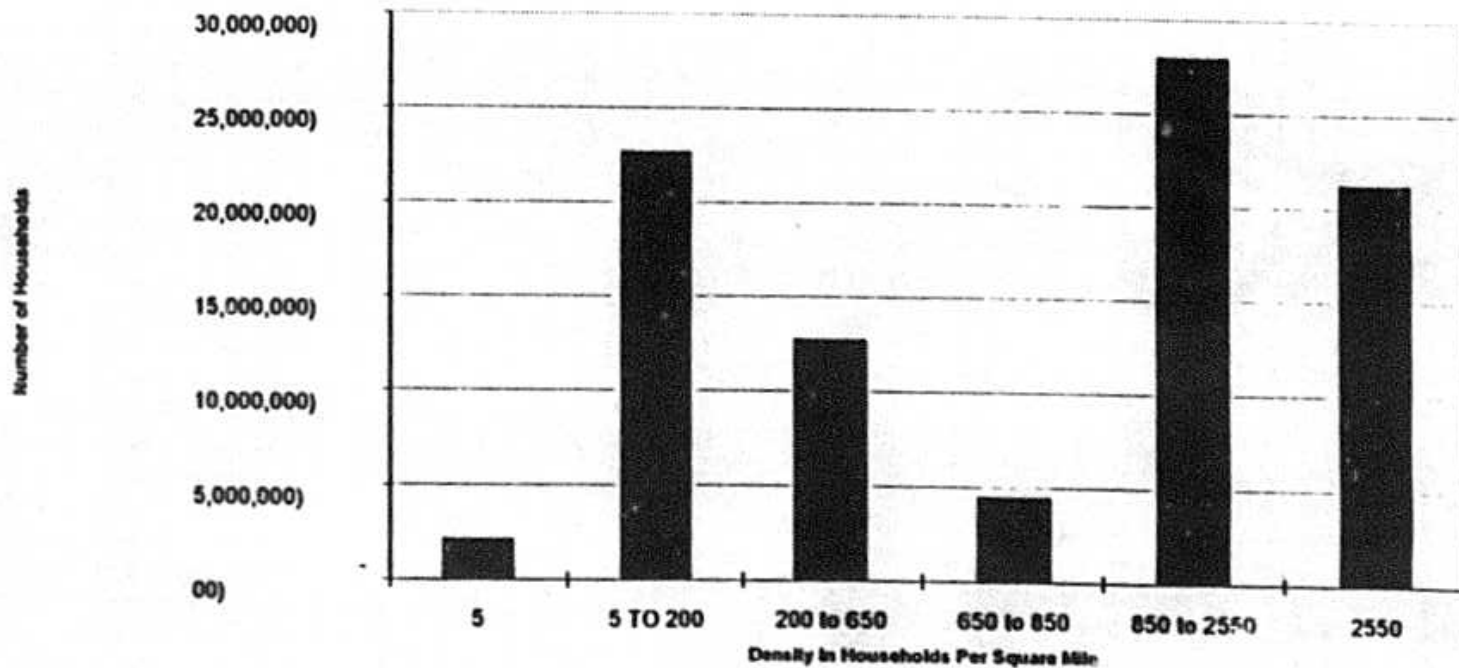
National Household Distribution By Residential Service Monthly Cost



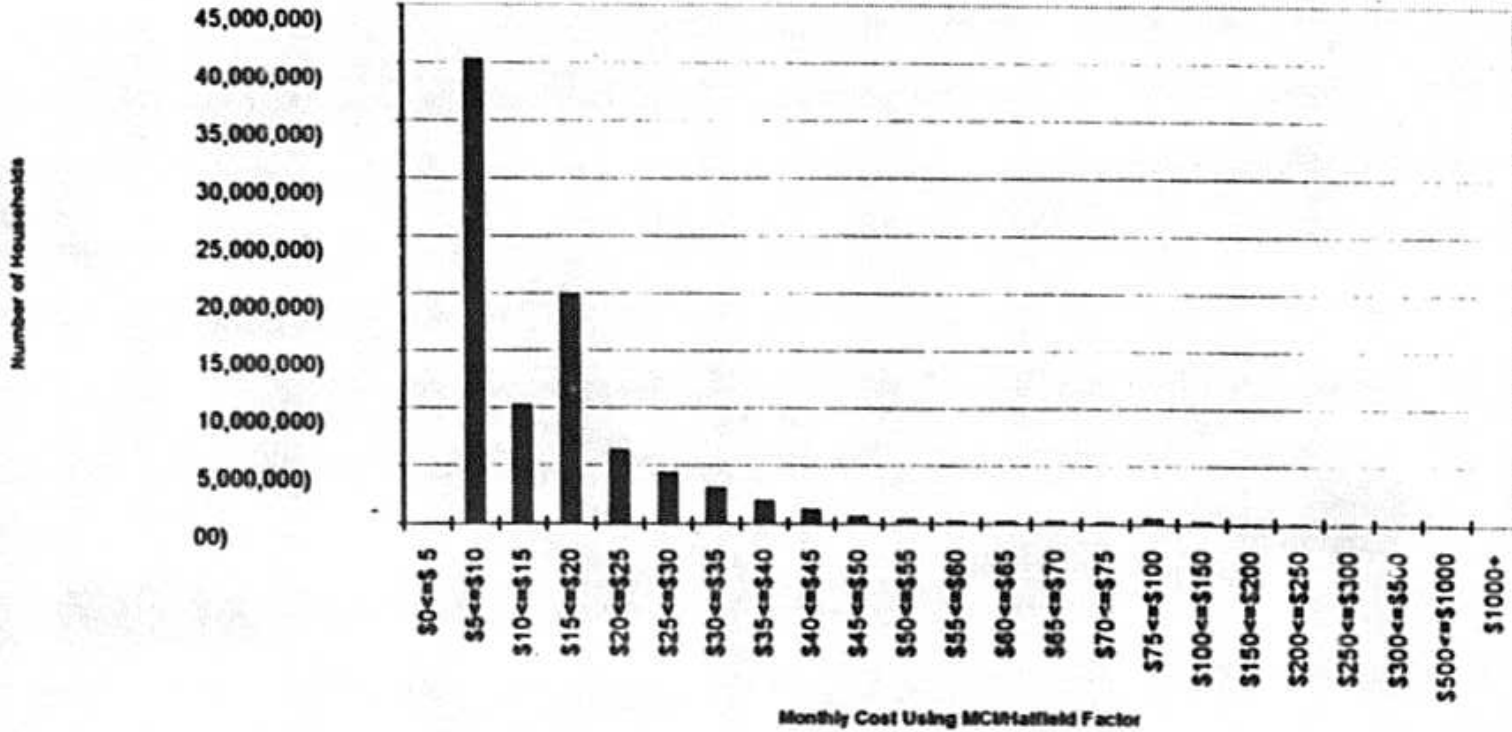
National Household Distribution By Loop Length



National Household Distribution By Density Group



National Household Distribution By Residential Service Monthly Cost



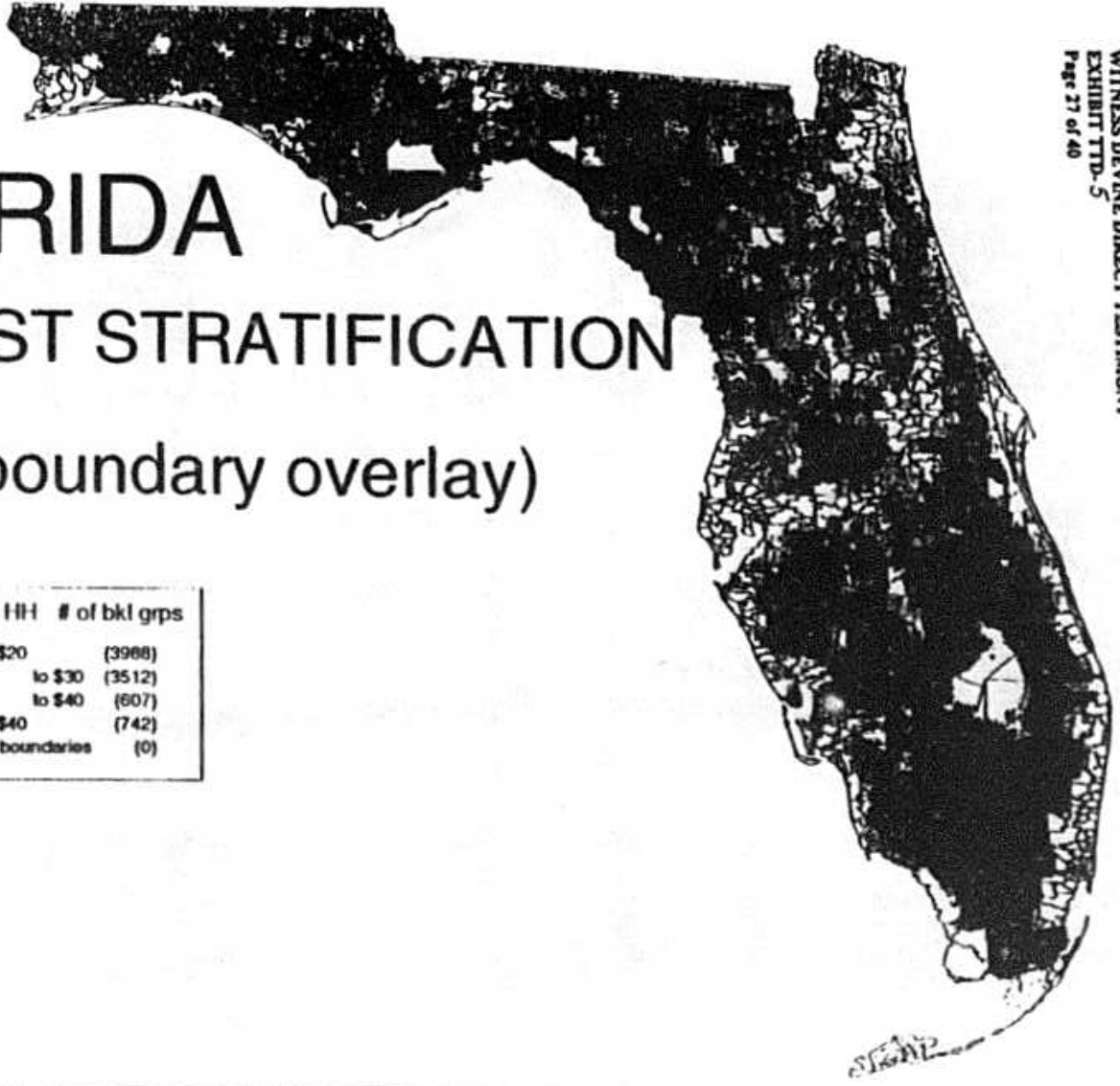
MFS COMMUNICATIONS COMPANY, INC.
 WITNESS DEVINE DIRECT TESTIMONY
 EXHIBIT TTD-5
 Page 26 of 40

FLORIDA

MONTHLY COST STRATIFICATION

(exchange boundary overlay)

mnthly \$ / HH	# of bkl grps
<\$20	(3988)
\$20 to \$30	(3512)
\$30 to \$40	(607)
>\$40	(742)
exch boundaries	(0)



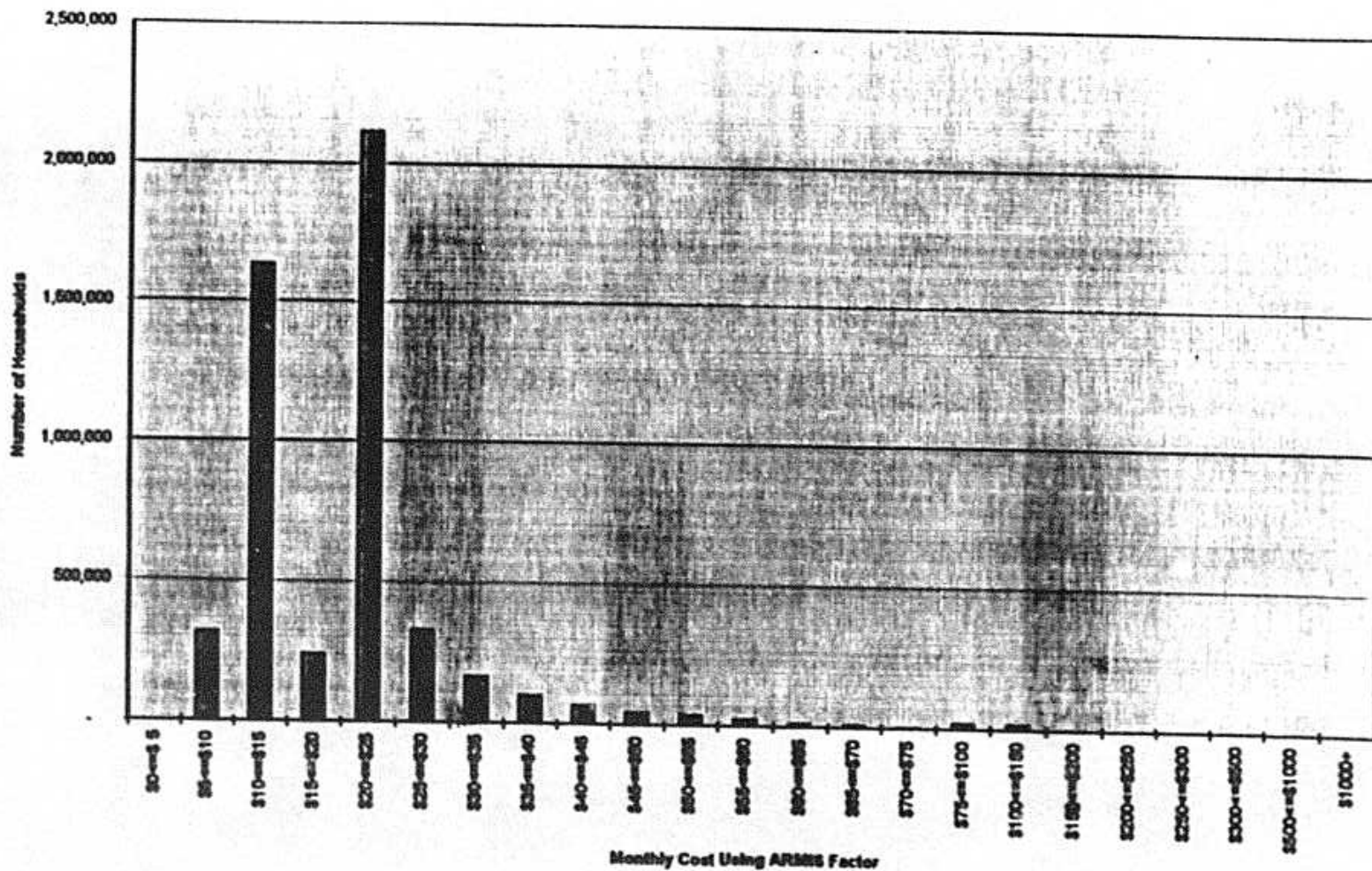
Density	Data	Total				
<=5	Sum of # Households	42,548				
	Average of Loop Length	75,547.62				
	Average of Loop \$ per HH	5,088.72				
	Average of Total Invstmnt/Ln	5,477.65				
5 TO 200	Sum of # Households	769,152	Aggregate Support at \$20=	\$ 229,450,680	ARMIS	DIRECT
	Average of Loop Length	32,922.70	Aggregate Support at \$30=	\$ 97,122,412		\$ 82,382,667
	Average of Loop \$ per HH	1,085.54	Aggregate Support at \$40=	\$ 55,246,242		\$ 37,334,524
	Average of Total Invstmnt/Ln	1,394.25	Annual Benchmark Cost =	\$ 1,257,649,680		\$ 19,978,268
200 to 650	Sum of # Households	831,288	State Average Monthly Cost=	\$ 20.40		\$ 14.79
	Average of Loop Length	17,529.44				
	Average of Loop \$ per HH	470.24				
	Average of Total Invstmnt/Ln	744.45				
650 to 850	Sum of # Households	353,174				
	Average of Loop Length	14,564.99				
	Average of Loop \$ per HH	355.81				
	Average of Total Invstmnt/Ln	625.66				
850 to 2550	Sum of # Households	2,199,649				
	Average of Loop Length	11,625.11				
	Average of Loop \$ per HH	334.77				
	Average of Total Invstmnt/Ln	598.81				
>2550	Sum of # Households	942,551				
	Average of Loop Length	9,185.26				
	Average of Loop \$ per HH	251.89				
	Average of Total Invstmnt/Ln	513.61				
Density	Data	Total				
<=5	Average of Monthly Cost1	144.59				
	Average of Monthly Cost2	104.85				
5 TO 200	Average of Monthly Cost1	36.60				
	Average of Monthly Cost2	26.69				
200 to 650	Average of Monthly Cost1	19.65				
	Average of Monthly Cost2	14.25				
650 to 850	Average of Monthly Cost1	10.52				
	Average of Monthly Cost2	11.98				
850 to 2550	Average of Monthly Cost1	15.81				
	Average of Monthly Cost2	11.46				
>2550	Average of Monthly Cost1	13.56				
	Average of Monthly Cost2	9.83				

FLORIDA

Cost Category - A/RMS	# Households	Loop Category	# Households	Density	# Households	Cost Category - Halfband	# Households
10<=5		0 <= 5KB	279,521	5	42,548	10<=5	
15<=10	317,128	5KB <= 10KB	1,187,485	5 TO 200	788,152	15<=10	1,877,445
110<=115	1,834,650	10KB <= 15KB	1,378,421	200 to 850	831,288	110<=115	772,141
115<=20	238,178	15KB <= 20KB	808,734	850 to 850	353,174	115<=20	1,845,455
120<=25	2,114,747	20KB <= 25KB	488,440	850 to 2550	2,188,848	120<=25	282,385
125<=30	330,867	25KB <= 30KB	298,842	2550	842,851	125<=30	132,898
130<=35	183,854	30KB <= 40KB	331,287	Total	8,138,388	130<=35	78,234
135<=40	88,575	40KB <= 50KB	158,383			135<=40	48,345
140<=45	87,581	50KB <= 60KB	85,852			140<=45	30,821
145<=50	44,521	60KB <= 70KB	41,888			145<=50	12,280
150<=55	38,488	70KB <= 80KB	31,385			150<=55	7,914
155<=60	25,731	80KB <= 80KB	18,152			155<=60	8,542
160<=65	13,871	80KB <= 100KB	8,184			160<=65	7,888
165<=70	7,178	100KB <= 150KB	11,213			165<=70	8,988
170<=75	4,308	150KB <= 200KB	1,374			170<=75	4,178
175<=100	22,488	200KB+	838			175<=100	11,817
1100<=1150	18,302					1100<=1150	2,657
1150<=200	1,308					1150<=200	85
1200<=250	87	Total Households	8,138,388			1200<=250	208
1250<=300	2	Minimum Loop Length	828			1250<=300	83
1300<=500	281	Maximum Loop Length	224,731			1300<=500	7
1500<=1000	24	Median Loop Length	13,387			1500<=1000	17
11000+	1					11000+	1
Total Households	8,138,388					Total Households	8,138,388
Minimum Monthly Cost	\$7.81					Minimum Monthly Cost	\$5.52
Maximum Monthly Cost	\$1,401.28					Maximum Monthly Cost	1,018.14
Median Monthly Cost	\$20.88					Median Monthly Cost	14.88
Average Monthly Cost	\$28.48					Average Monthly Cost	\$14.78
1/2 Above 120K Loop Invest	28						

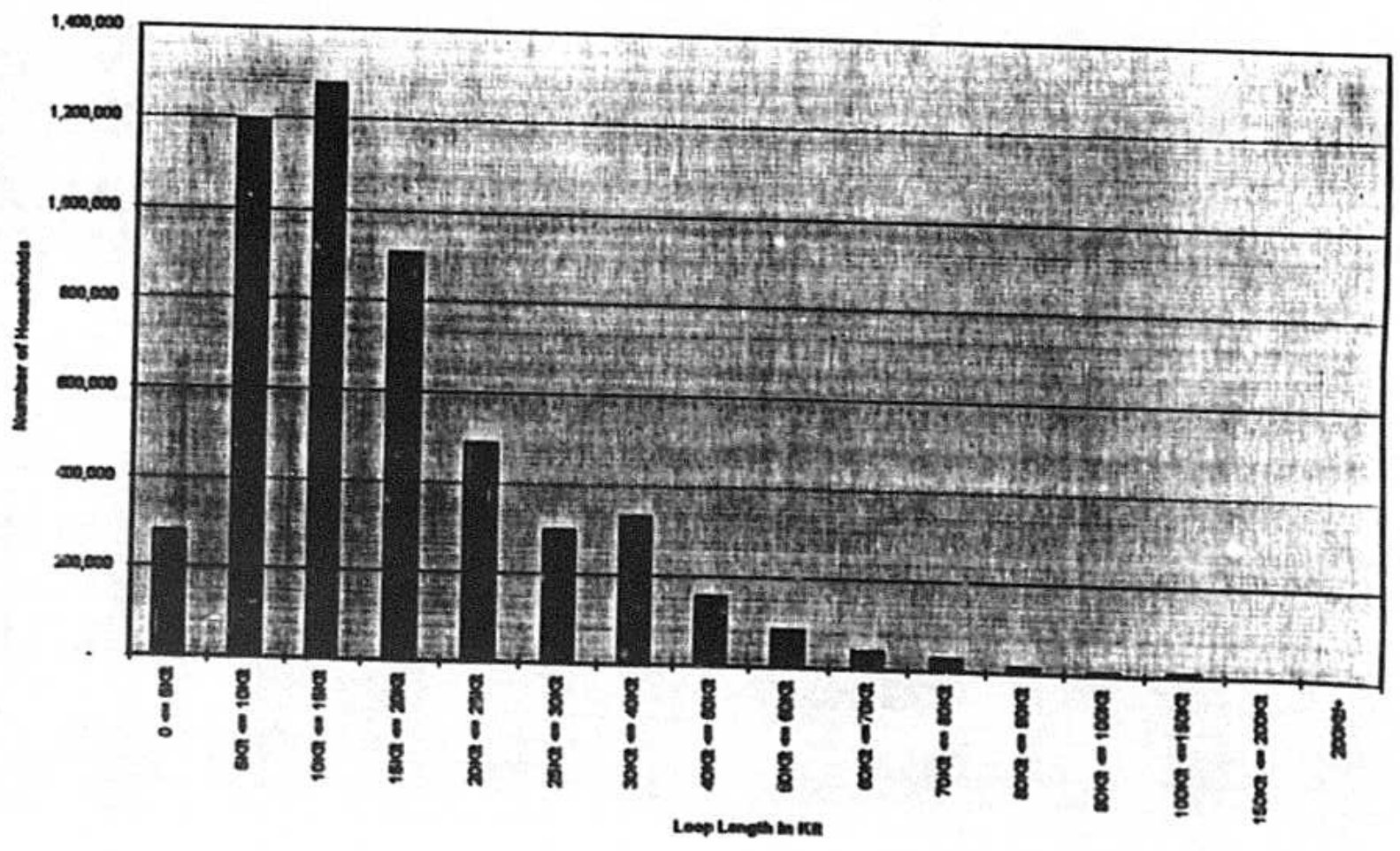
MFS COMMUNICATIONS COMPANY, INC.
 WITNESS DEVINE DIRECT TESTIMONY
 EXHIBIT TTD-5
 Page 29 of 40

FL Household Distribution By Residential Service Monthly Cost



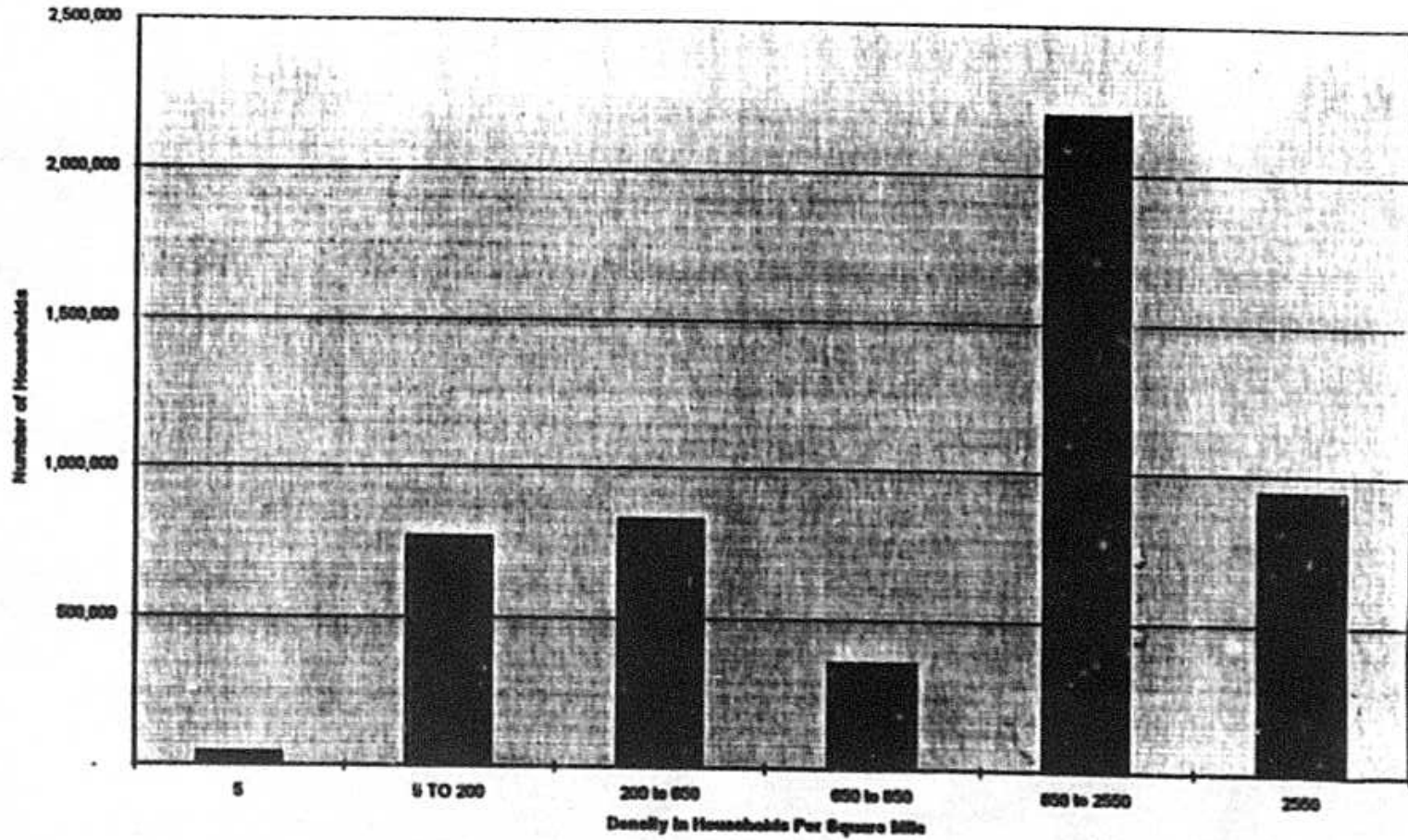
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WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTDC-5
Page 36 of 40

FL Household Distribution By Loop Length



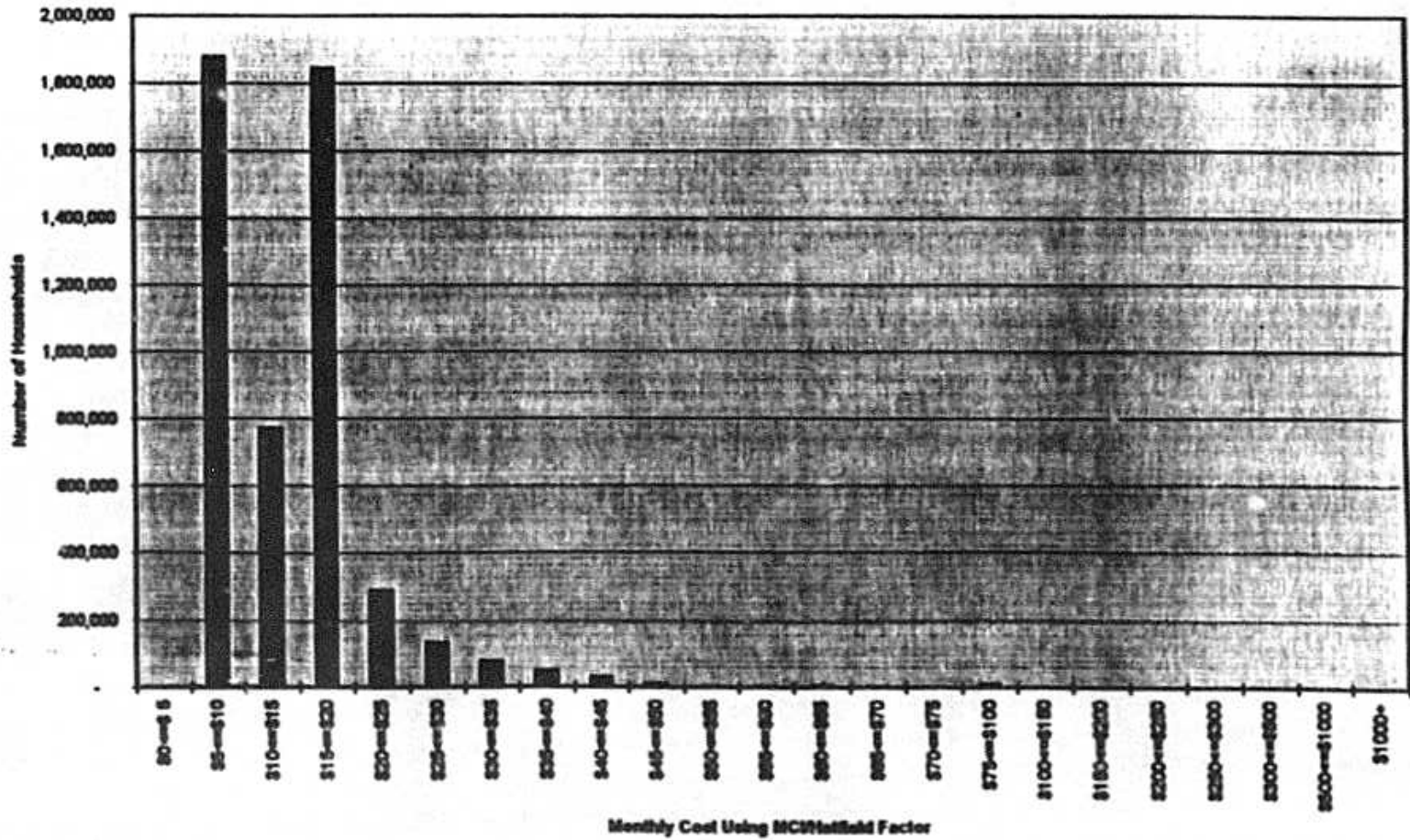
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WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-5
Page 31 of 40

FL Household Distribution By Density Group



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WITNESS DEVIENE DIRECT TESTIMONY
EXHIBIT TTD-5
Page 21 of 40

FL Household Distribution By Residential Service Monthly Cost



MFS COMMUNICATIONS COMPANY, INC.
 WITNESS DEVINE DIRECT TESTIMONY
 EXHIBIT TTD-5
 Page 33 of 40

monthly \$/100 # of talk gprs

- \$20	(695)
\$20 to \$30	(995)
\$30 to \$40	(474)
> \$40	(1263)
[] each boundaries	(0)

ILLINOIS

MONTHLY COST STRATIFICATION (exchange boundary overlay)



Benchmark
Summary Results

Density	Data	Total				
<=5	Sum of # Households	81,355				
	Average of Loop Length	47,439.58				
	Average of Loop \$ per HH	2,784.41				
	Average of Total Invtmnt/Ln	3,480.30				
5 TO 200	Sum of # Households	697,749	Aggregate Support at \$20=	\$ 288,441,873	ARMIS	DIRECT
	Average of Loop Length	26,733.52	Aggregate Support at \$30=	\$ 158,359,808		\$128,018,370
	Average of Loop \$ per HH	1,180.54	Aggregate Support at \$40=	\$ 100,477,083		\$ 88,211,635
	Average of Total Invtmnt/Ln	1,825.85	Annual Benchmark Cost =	\$1,044,152,034		\$ 32,918,173
200 to 850	Sum of # Households	471,037	State Average Monthly Cost=	\$ 20.73		\$ 15.03
	Average of Loop Length	13,052.77				
	Average of Loop \$ per HH	306.55				
	Average of Total Invtmnt/Ln	700.41				
850 to 850	Sum of # Households	187,643				
	Average of Loop Length	11,854.05				
	Average of Loop \$ per HH	314.09				
	Average of Total Invtmnt/Ln	585.21				
850 to 2550	Sum of # Households	1,257,899				
	Average of Loop Length	10,138.30				
	Average of Loop \$ per HH	314.17				
	Average of Total Invtmnt/Ln	585.49				
>2550	Sum of # Households	1,521,837				
	Average of Loop Length	8,501.73				
	Average of Loop \$ per HH	244.82				
	Average of Total Invtmnt/Ln	502.82				
Density	Data	Total				
<=5	Average of Monthly Cost1	82.03				
	Average of Monthly Cost2	88.73				
5 TO 200	Average of Monthly Cost1	42.81				
	Average of Monthly Cost2	31.12				
200 to 850	Average of Monthly Cost1	18.48				
	Average of Monthly Cost2	13.41				
850 to 850	Average of Monthly Cost1	15.71				
	Average of Monthly Cost2	11.39				
850 to 2550	Average of Monthly Cost1	15.48				
	Average of Monthly Cost2	11.21				
>2550	Average of Monthly Cost1	13.28				
	Average of Monthly Cost2	9.63				

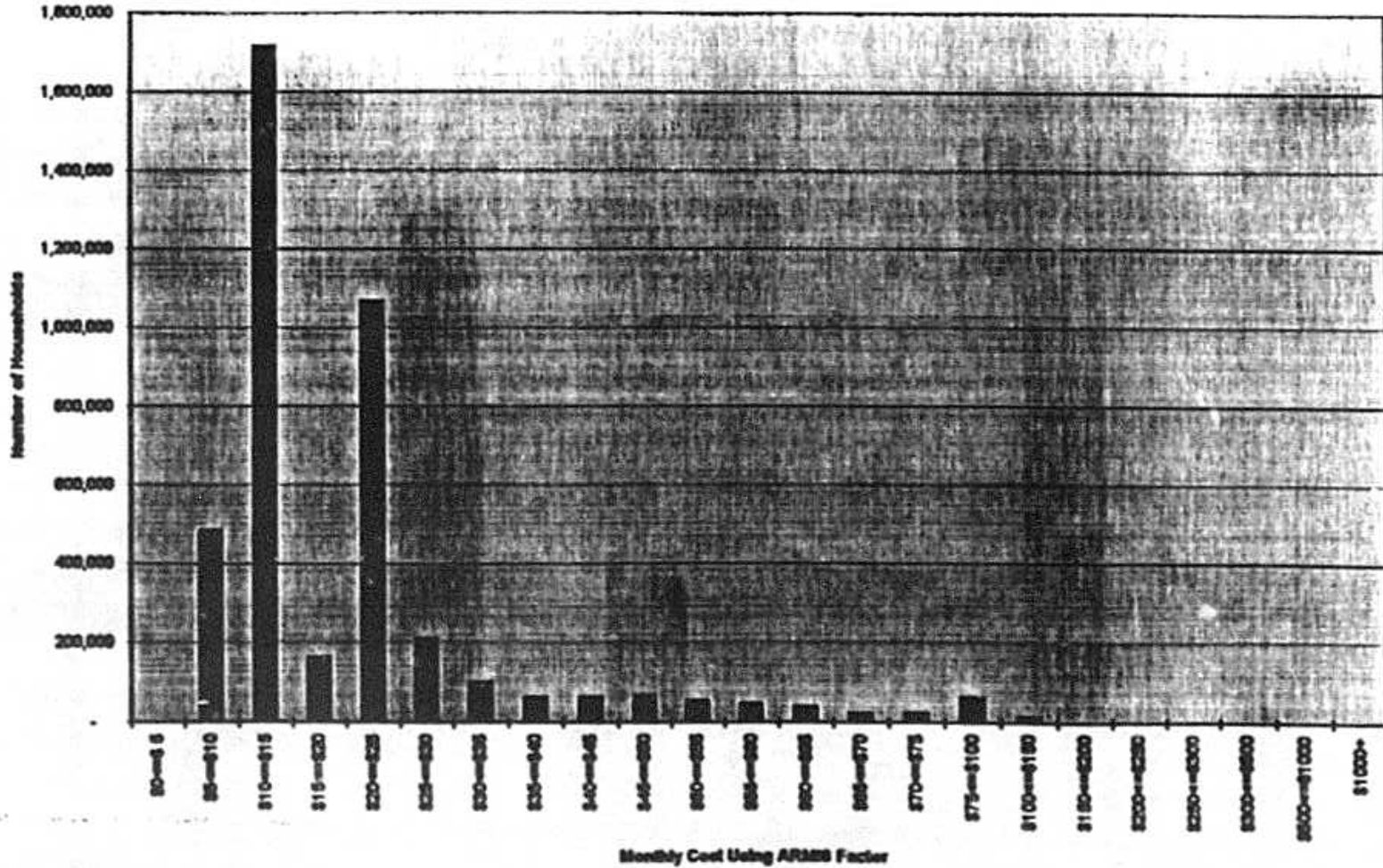
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 FPSC DOCKET NO. 960757-TP
 WITNESS DEVINE DIRECT TESTIMONY
 EXHIBIT TTD-5
 Page 35 of 40

Benchmark
Results Analysis

11/2/85

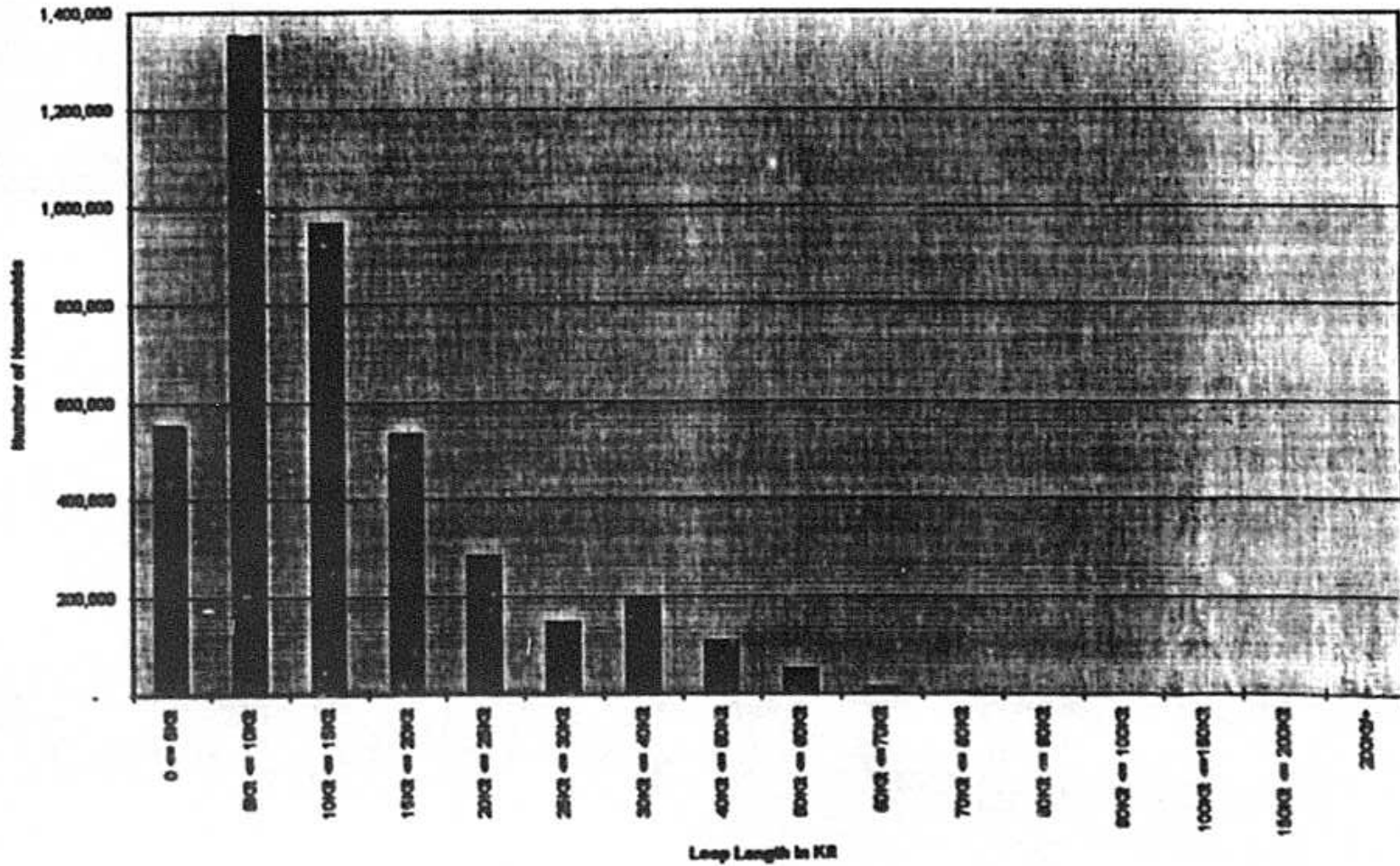
Cost Category - APIS	# Households	Loop Category	# Households	Density	# Households	Cost Category - Household	# Households
50<=5	-	0 <= 5KR	551,522	5	61,255	50<=5	-
55<=10	483,368	5KR <= 10KR	1,349,474	5 TO 200	687,748	5<=10	2,016,718
10<=15	1,715,715	10KR <= 15KR	865,371	200 to 650	471,637	10<=15	488,285
15<=20	180,880	15KR <= 20KR	535,677	650 to 850	187,643	15<=20	1,008,018
20<=25	1,067,451	20KR <= 25KR	281,677	850 to 2550	1,257,888	20<=25	175,584
25<=30	216,142	25KR <= 30KR	146,388	2550	1,821,637	25<=30	67,508
30<=35	88,684	30KR <= 40KR	188,582	Total	4,187,728	30<=35	61,643
35<=40	82,480	40KR <= 50KR	108,080			35<=40	77,678
40<=45	63,888	50KR <= 60KR	48,618			40<=45	88,421
45<=50	85,141	60KR <= 70KR	17,484			45<=50	41,408
50<=55	85,048	70KR <= 80KR	1,888			50<=55	31,658
55<=60	47,267	80KR <= 80KR	-			55<=60	23,581
60<=65	48,708	90KR <= 100KR	-			60<=65	18,374
65<=70	23,845	100KR <= 150KR	-			65<=70	14,671
70<=75	24,888	150KR <= 200KR	-			70<=75	7,841
75<=100	84,231	200KR >	-			75<=100	8,402
100<=150	12,888					100<=150	128
150<=200	8	Total Households	4,187,728			150<=200	1
200<=250	8	Minimum Loop Length	658			200<=250	-
250<=500	-	Minimum Loop Length	74,481			250<=500	-
300<=500	-	Median Loop Length	18,642			300<=500	1
500<=1000	1					500<=1000	-
1000>	-					1000>	-
Total Households	4,187,728					Total Households	4,187,728
Minimum Monthly Cost	\$7.78					Minimum Monthly Cost	\$ 5.58
Maximum Monthly Cost	\$863.25					Maximum Monthly Cost	438.18
Median Monthly Cost	\$14.41					Median Monthly Cost	18.45
Average Monthly Cost	\$28.75					Average Monthly Cost	\$19.83
1-1 Above 100K Loop Cost	1						

IL Household Distribution By Residential Service Monthly Cost



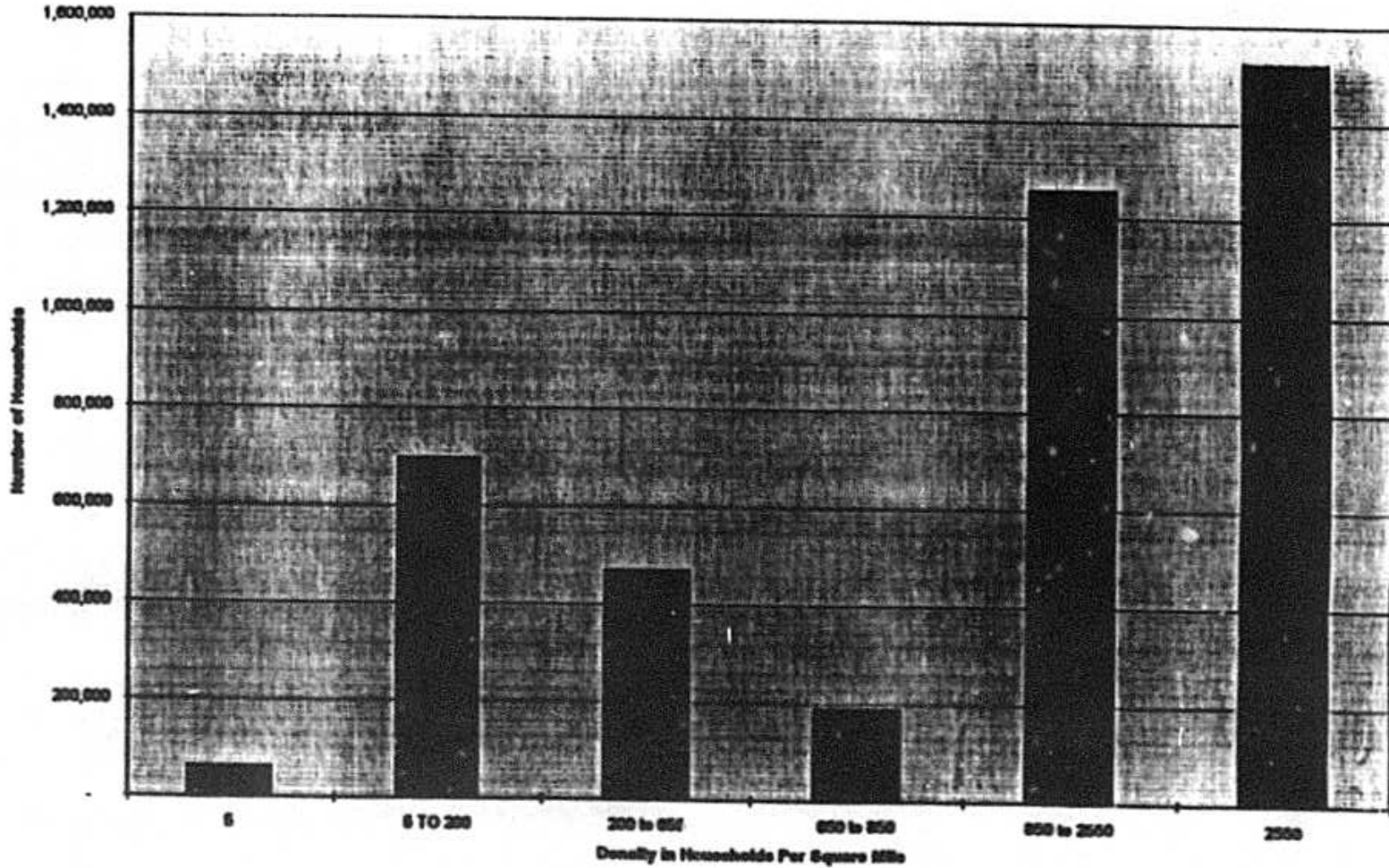
MFS COMMUNICATIONS COMPANY, INC.
WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-5
Page 37 of 40

IL Household Distribution By Loop Length



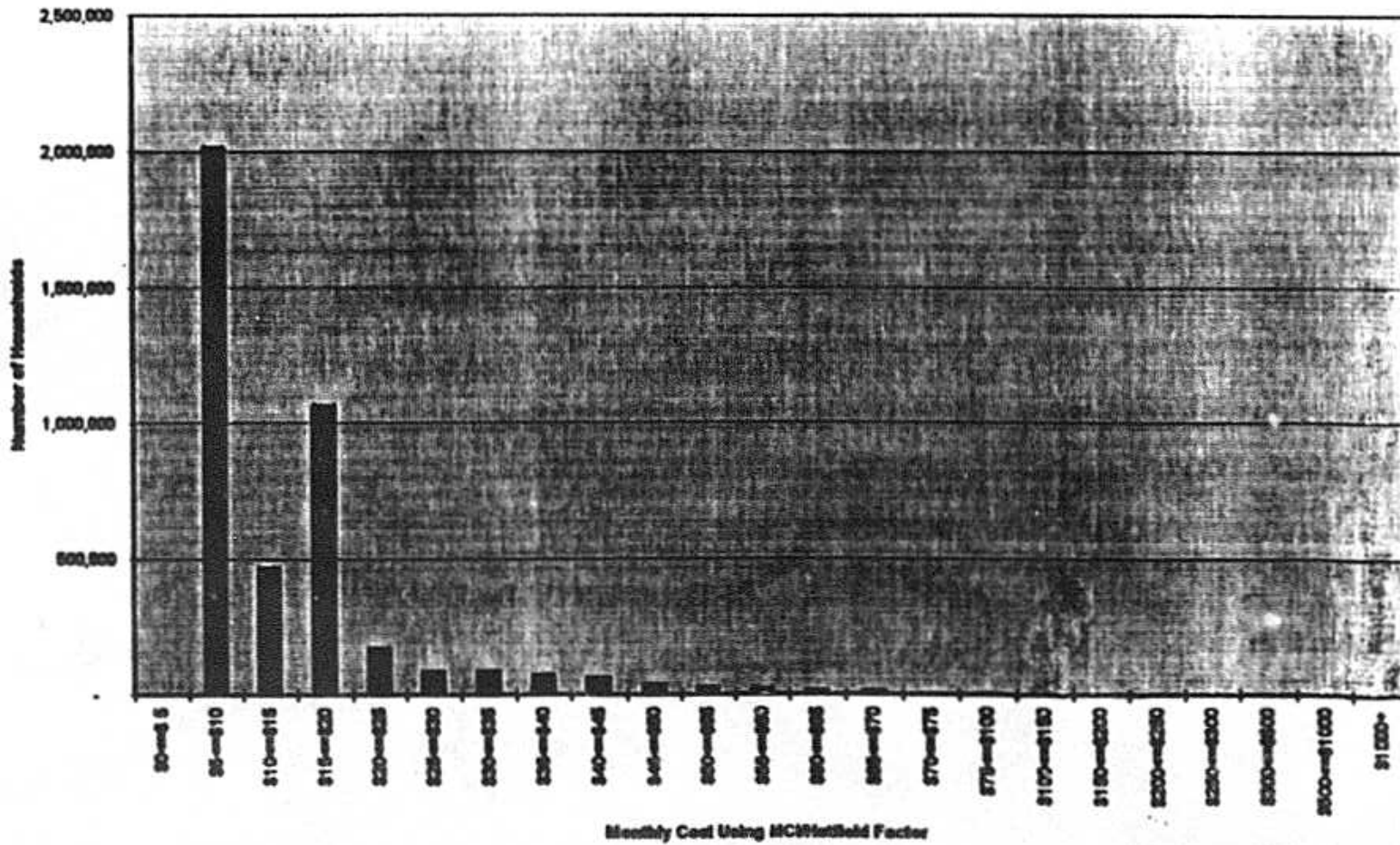
MFS COMMUNICATIONS COMPANY, INC.
WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-5
Page 38 of 40

IL Household Distribution By Density Group



MFS COMMUNICATIONS COMPANY, INC.
WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-5
Page 39 of 40

IL Household Distribution By Residential Service Monthly Cost



MFS COMMUNICATIONS COMPANY, INC.
WITNESS DEVINE DIRECT TESTIMONY
EXHIBIT TTD-5
Page 40 of 40