Table 1.
Deaveraged Forward-Looking Cost, Embedded Cost of Loop & Return on Regulated Net Investment for Selected Companies

Company[1]	State	(1)[2]	(2)[3]	(3)[4]	(4)[5]	(5)[6]	(6)[7]	(7)[8]	(8)[9]	(9)[10]
Ameritech	Ill.	$2.59	$7.07	$11.40	-	$9.65	$14.33	25.98%	28.82%	28.50%
Ameritech	Mich.	9.43	12.02	14.86	-	12.56	$16.10	33.54%	37.59%	38.29%
Ameritech	Ohio	8.36	11.68	13.73	-	12.29	$15.85	23.60%	24.41%	26.14%
Ameritech	Wis.	8.10	12.80	13.84	-	11.02	$15.07	29.16%	29.35%	46.80%
Bell Atlantic	Del.	10.07	13.13	16.67	-	12.05	$17.60	10.04%	11.86%	13.09%
Bell Atlantic	Md.	11.87	12.09	16.13	19.38	13.36	$17.44	13.59%	13.48%	14.61%
Bell Atlantic	N.J.	11.95	16.02	20.98	-	16.21	$15.81	10.24%	8.57%	13.48%
Bell Atlantic	Pa.	11.52	12.71	16.12	23.11	16.78	$16.63	9.53%	9.03%	10.56%
Bell Atlantic	Va.	9.52	13.31	19.54	-	14.13	$18.85	7.35%	12.00%	19.05%
Bell Atlantic	W.Va.	14.49	22.04	43.44	-	24.58	$25.67	12.05%	15.54%	15.50%
Bell Atlantic	Me.	7.54	14.11	16.12	20.04	14.98	$23.28	16.29%	16.25%	15.36%
Bell Atlantic	Mass.	7.54	14.11	16.12	20.04	14.98	$16.47	16.84%	14.04%	15.80%
Bell Atlantic	N.H.	13.39	16.31	23.72	-	18.25	$23.86	19.59%	18.02%	15.22%
Bell Atlantic	N.Y.	12.49	19.24	-	-	14.52	$19.91	11.79%	7.80%	3.66%
Bell Atlantic	R.I.	13.39	16.31	23.72	-	18.25	$19.04	18.34%	18.86%	18.37%
Bell Atlantic	Vt.	13.39	16.31	23.72	-	18.25	$27.56	11.15%	12.96%	15.20%
SBC	Kan.	19.65	26.55	70.30	-	31.93	$22.26	9.72%	9.29%	10.54%
SBC	Miss.	12.71	18.23	20.71	33.29	16.48	$19.72	10.28%	12.03%	8.89%
SBC	Okla.	20.70	27.75	49.30	-	27.77	$20.75	12.45%	10.37%	11.09%
U S West	N.M.	19.49	21.30	26.74	-	21.21	$28.92	9.84%	10.01%	8.58%
U S West	Colo.	19.65	26.65	38.65	84.65	32.33	$24.75	8.79%	11.15%	8.88%
Return on Regulated Investment for the 150 largest telephone companies[11]								14.19%	13.24%	14.13%

1. BOCs only, GTE companies with loop deaveraging include Pennsylvania, Hawaii, and Missouri. SNET also has deaveraged loops.

2. *Zone 1 (most dense)*

3. *Zone 2*

4, *Zone 3*

5. *Zone 4*

6. *Average UNE Loop Price*

Letter from AT&T to Magalie R. Salas, Secretary, FCC, attachment (Mar. 2, 1999) (on file with the *Federal Communications Law Journal*) (stating loop averages are either state commission estimated rates or, if no statewide average is reported, a weighted average using zone density distributions).

7. *1997 Embedded Loop Cost*

NECA, *1998 Submission of 1997 Study Results* (visited Feb. 1, 2000) <http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/Monitor/usf98af.html>. Section 36.613 of the FCC's rules requires the NECA to file specific Universal Service Fund (USF) cost and expense adjustment information annually with the FCC. This information is compiled from data supplied to NECA by incumbent LECs. The data is for the regulated operations of the telephone companies and it has not been subject to the jurisdictional separations process.

8. *Return on Regulated Net Investment 1996*

The rate-of-return was derived using data from the FCC Automated Report Management Information System (ARMIS) Report 43-01. *See* ARMIS, *Data Retrieval System* (visited Feb. 1, 2000) <http://www.fcc.gov/ccb/armis/db/>. The return is for the combined federal and state regulated operations. Within ARMIS the federal rate-of-return is calculated by dividing the net return by the net investment. Net return is derived by subtracting from the sum of total operating revenues and other operating income the operating expenses, federal and other taxes, nonoperating items. Subtracting the reserves from the sum of plant in-service and other investments derives the net investment. The Authors applied the same methodology to the combined state and federal data.

9. *Return on Regulated Net Investment 1997*

10. *Return on Regulated Net Investment 1998*

11. These figures were calculated by taking the sum of ARMIS row 1910, average net investment, for the 150 large independent phone companies in the ARMIS database and dividing this by the sum of ARMIS row 1915, Net Return, for the same 150 companies.