

**Interstate Rate of Return Summary \***  
**Years 1997 through 2003**  
**Price-Cap Companies Reporting FCC Form 492A**  
**(Final Reports for 1997 Through 2002 and Initial Report for 2003) <sup>1</sup>**

Reporting Entity	2003	2002	2001	2000	1999	1998	1997
1 <b>BellSouth Telecommunications, Inc.</b>	21.93 %	19.35 %	21.25 %	22.83 %	20.99 %	20.80 %	17.91 %
2 <b>Qwest Corporation, Including Malheur and El Paso</b>	23.03	20.08	19.14	19.93	19.06	16.56	15.41
<b>SBC Communications, Inc.</b>							
3 Southwestern Bell Telephone Company L.P.	15.60	14.88	18.81	15.17	10.22	9.91	10.32
4 Ameritech Operating Companies	20.55	20.24	25.72	30.24	28.93	22.59	18.22
5 Nevada Bell Telephone Company	20.16	14.86	20.86	21.55	19.26	16.02	19.47
6 Pacific Bell Telephone Company	26.23	21.00	23.79	19.20	21.01	16.50	11.98
7 Southern New England Telephone Company, The	23.93	18.47	23.57	18.21	12.12	10.99	12.70
<b>Verizon Telephone Companies</b>							
8 Verizon Telephone Companies (Verizon FCC Tariff No. 1) <b>(Former Bell Atlantic Companies)</b>	7.99	11.95	12.93	13.36	13.66		
Bell Atlantic						13.88	14.73
Bell Atlantic (NYNEX)						11.40	13.72
New England Telephone and Telegraph Co.							
New York Telephone							
<b>Verizon - West (Former GTE Companies)</b>							
9 Verizon California Inc. (California - GTCA)	29.99	28.50	28.48	25.87	22.01	17.19	17.68
10 Verizon California Inc. (California - COCA)	29.90	28.22	29.80	28.74	28.28	22.71	19.16
11 Verizon California Inc. (Arizona - COAZ)	2.03	6.99	13.25	10.9	15.57	13.80	14.17
12 Verizon California Inc. (Nevada - CONV)	28.50	24.08	26.66	28.82	20.57	24.01	31.44
13 Verizon Florida Inc. (Florida - GTFL)	24.16	22.03	29.23	21.90	18.93	14.58	19.14
14 Verizon Hawaii Inc. (Hawaii - GTHI)	16.85	15.30	16.72	17.87	17.62	15.64	10.55
15 Verizon North Inc. (COPA + COQS = COPT)	41.44	43.61	39.71	41.05	39.58	45.97	36.83
16 Verizon North Inc. (Illinois - COIL)	59.89	54.09	53.67	44.51	41.03	14.11	41.14
17 Verizon North Inc. (Indiana - COIN)	47.29	46.06	46.55	47.67	41.40	34.61	33.26
18 Verizon North Inc. (Ohio - GTOH)	19.54	19.53	20.45	21.88	21.7	21.83	24.37
19 Verizon North Inc. (Pennsylvania - GTPA)	13.62	22.50	23.17	21.95	21.41	14.67	20.62
20 Verizon North Inc. (Wisconsin - GTWI)	10.85	9.90	14.16	16.99	17.85	16.08	18.75
21 Contel of the South, Inc. dba Verizon North Sys (IN - GLIN)	20.00	24.75	32.82	33.00	32.47	29.06	23.61
22 Verizon North/Contel South (GTMI + GLMI = GAMI)	15.11	16.64	17.49	16.45	15.75	13.17	15.33
23 Verizon North/Verizon South (GTIL + GLIL = GAIL)	22.82	21.54	23.67	23.90	22.35	23.07	21.59
24 Verizon Northwest Inc. (Oregon - GTOR)	26.40	26.10	31.69	30.95	31.56	27.03	28.23
25 Verizon Northwest Inc. (West Coast CA - GNCA)	(14.17)	(5.17)	1.91	(8.35)	(9.93)	(6.85)	(25.83)
26 Verizon Northwest Inc. (Washington - COWA)	37.26	31.57	40.06	39.49	39.17	30.41	31.85
27 Verizon Northwest Inc. (Washington - GTWA)	30.24	28.97	34.03	33.26	32.91	27.33	24.41
28 Verizon Northwest Inc. (Idaho - GTID)	28.19	33.01	38.74	34.17	32.24	30.89	30.52
29 Verizon South Inc. (North Carolina - GTNC)	16.82	23.45	30.08	26.44	24.85	27.92	24.48
30 Verizon South Inc. (N. Carolina - CONC)	14.80	21.97	22.17	17.75	19.87	12.78	16.63
31 Verizon South Inc. (GTSC + COSC = GTST)	28.92	29.82	32.44	31.19	30.70		
Verizon South Inc. (Alabama - GTAL)			24.02	20.24	22.23	17.59	23.49
Verizon South Inc. (Kentucky - COKY)			30.95	20.60	9.55	5.97	6.62
Verizon South Inc. (Kentucky - GTKY)			27.21	25.07	24.03	22.34	20.57
GTE South Inc. (South Carolina - GTSC)						30.62	24.06
GTE South Inc. (South Carolina - COSC)						26.14	25.09
32 Verizon South Inc. (Virginia - COVA)	39.51	40.41	40.69	40.85	34.74	35.19	33.65
33 Verizon South Inc. (Virginia - GTVA)	(17.50)	1.76	9.53	6.62	9.94	20.56	23.76
34 GTE Southwest Inc. dba Verizon Southwest (Texas - COTX)	10.01	12.46	11.9	12.17	17.13	14.96	18.10
35 GTE Southwest Inc. dba Verizon Southwest (Texas - GTTX)	18.70	20.47	24.35	21.65	21.42	16.43	14.81
36 Micronesian Telecomms. Corp. (N. Mariana Islands - GTMC)	33.91	32.75	21.83	23.58	29.24	34.45	21.17
GTE Midwest Inc. (Missouri - COMO + COCM + COEM = COMT)			20.33	17.06	15.29	12.56	12.39
GTE Midwest Inc. (Missouri - GTMO)			23.92	19.15	11.82	16.08	17.88
GTE Systems of The South (Alabama - COAL)			15.77	14.93	10.88	7.97	15.31

**Interstate Rate of Return Summary \***  
**Years 1997 through 2003**  
**Price-Cap Companies Reporting FCC Form 492A - Continued**  
**(Final Reports for 1997 Through 2002 and Initial Report for 2003) <sup>1</sup>**

Reporting Entity	2003	2002	2001	2000	1999	1998	1997
<b>Sprint</b>							
37 Central Telephone Company - Nevada Division	34.16 %	23.80 %	19.61 %	19.29 %	21.15 %	17.79 %	17.07 %
38 Sprint - Florida Incorporated	35.54	29.41	25.89	27.38	27.17	26.14	20.05
39 Sprint Local Telephone Cos. - Eastern (NJ & PA)	45.38	37.78	26.21	25.62	20.87	14.59	17.36
40 Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	25.24	18.89	16.63	18.88	17.69	19.66	19.97
41 Sprint Local Telephone Cos. - North Carolina	45.89	36.64	25.56	22.23	15.92	12.55	16.54
42 Sprint Local Telephone Cos. - Northwest (OR & WA)	33.51	34.62	31.55	32.77	31.86	32.54	30.59
43 Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	34.34	33.76	25.33	23.32	17.50	15.87	17.62
44 United Telephone Co. of Indiana, Inc.	46.47	41.75	35.19	38.21	28.98	24.19	26.13
45 United Telephone Co. of Ohio	31.50	30.89	27.13	20.03	20.16	17.33	13.91
Central Telephone of Illinois							18.92
<b>All Other Companies</b>							
46 ALLTEL Nebraska, Inc.	13.43	12.20	12.57	12.99	19.27	15.02	12.27
47 Kentucky ALLTEL - Lexington, Inc.	26.75	27.78					
48 Kentucky ALLTEL - London, Inc.	26.26	28.76					
49 CenturyTel of Belle-Hermann/So Missouri/Sw Missouri (CNMO)	23.20	4.69 <sup>2</sup>					
50 CenturyTel of Central Missouri (CNMC)	47.17	11.83 <sup>2</sup>					
51 CenturyTel of Northern Alabama (CNAN)	17.17	7.49 <sup>3</sup>					
52 CenturyTel of Southern Alabama (CNAS)	34.53	15.78 <sup>3</sup>					
53 Cincinnati Bell Telephone Company	32.48	28.64 <sup>4</sup>	30.09	28.95	25.45	17.81	20.04
54 Citizens Telecommunications Cos. (CTC1)	24.40	19.27	15.73	19.68	16.71	17.87	9.77
55 Citizens Telecommunications Cos. (CTC2)	16.14	20.67	17.30	24.05	15.74	14.29	13.25
56 Citizens Telecommunications Cos. (CTC3)	10.40	8.94	4.52	16.12	15.56		
57 Citizens Telecommunications Cos. (CTC4)	35.38	23.31	13.08	30.94			
58 Citizens Telecommunications Cos. (CTC5)	40.37	4.90	0.86	(11.23)			
59 Frontier Telephone of Rochester	10.67	11.47	12.32	18.91	16.77	18.37	13.19
60 Frontier Tier 2 Concurring Companies	38.49	33.34	38.12	38.95	43.42	45.45	31.93
61 Frontier Communications of Minnesota & Iowa	32.16	31.15	25.24	33.16	35.40	29.28	28.26
62 Iowa Telecom Service Group	17.58	14.26 <sup>4</sup>	13.07				
63 Iowa Telecom Systems Service Group	23.97	20.47 <sup>4</sup>	18.45				
64 Valor New Mexico #1164	18.45	16.86	11.45	20.67			
65 Valor New Mexico #1193	20.41	15.88	8.39	13.35			
66 Valor Oklahoma	8.69	9.31	11.65	11.22			
67 Valor Texas	15.21	10.66	5.70	5.24			

Maximum Rate of Return	59.89 %	54.09 %	53.67 %	47.67 %	43.42 %	47.21 %	48.69 %
Minimum Rate of Return	(17.50)	(5.17)	0.86	(11.23)	(9.93)	(6.85)	(25.83)
Weighted Arithmetic Mean	18.06	17.69	19.62	18.04	18.50	16.52	15.60
Standard Deviation	8.63	5.69	5.80	5.17	5.96	5.13	3.96

\* The interstate rates of return reported by carriers on the FCC Form 492A may not necessarily agree with the interstate rates of return reported by the carriers on other Commission forms. For example, price-cap carriers also report interstate rates of return on the Commission's Automated Reporting Management Information System's (ARMIS) 43-01 report. The interstate rates of return reported by carriers on the ARMIS 43-01 include revenues and costs for non-price-cap services.

<sup>1</sup> For years 1991 - 1996, see Industry Analysis Division, Common Carrier Bureau, *Trends in Telephone Service* (August 2001).

<sup>2</sup> Rate of return is representative of the time period commencing from date of ownership beginning September 1, 2002.

<sup>3</sup> Rate of return is representative of the time period commencing from date of ownership beginning July 1, 2002.

<sup>4</sup> For final 2002, there were no changes to the preliminary.

**Interstate Rate of Return Summary**  
**January 1, 2003 - December 31, 2003**  
**Initial Reports Filed April 1, 2004**  
**Price-Cap Carriers**

	Name of Company	Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
1	BellSouth Communications, Inc.	\$2,768,494	\$1,604,376	\$1,164,118	\$5,307,515	21.93	N/A	N/A
2	Qwest Communications Inc. Including Malheur and El Paso	2,378,272	1,783,063	595,209	2,584,100	23.03	0	0
	<b>SBC Companies (FCC Generated)</b>	5,833,998	4,668,141	1,165,857	5,724,745	20.37		
3	Southwestern Bell Telephone Company	1,956,400	1,639,107	317,293	2,033,789	15.60	N/A	N/A
4	Ameritech Operating Companies	1,827,307	1,437,688	389,619	1,896,053	20.55	N/A	N/A
5	Nevada Bell Telephone Company	58,020	45,505	12,515	62,093	20.16	N/A	N/A
6	Pacific Bell Telephone Company	1,635,085	1,273,227	361,858	1,379,333	26.23	N/A	N/A
7	Southern New England Telephone Company	357,186	272,614	84,572	353,477	23.93	N/A	N/A
	<b>Verizon Companies (FCC Generated)</b>	7,266,212	5,639,565	1,626,644	13,161,051	12.36		
8	Verizon Telephone Companies (Verizon FCC Tariff No. 1)	4,968,187	4,198,815	769,372	9,623,916	7.99	0	N/A
9	Verizon California Inc. (California - GTCA)	494,882	265,448	229,434	764,927	29.99	0	0
10	Verizon California Inc. (Arizona - COAZ)	2,525	2,469	57	2,798	2.03	0	0
11	Verizon California Inc. (California - COCA)	69,393	47,118	22,274	74,503	29.90	0	0
12	Verizon California Inc. (Nevada - CONV)	10,763	6,359	4,404	15,452	28.50	0	0
13	Verizon Florida Inc. (Florida - GTFL)	330,438	217,707	112,731	466,535	24.16	0	0
14	Verizon Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	102,511	65,815	36,695	217,837	16.85	0	0
15	Verizon North Inc. (COPA + COQS = COPT)	18,703	11,901	6,801	16,411	41.44	0	0
16	Verizon North Inc. (Illinois - COIL)	25,984	15,477	10,507	17,543	59.89	0	0
17	Verizon North Inc. (Indiana - COIN)	37,372	22,306	15,066	31,857	47.29	0	0
18	Verizon North Inc. (Ohio - GTOH)	124,649	87,639	37,010	189,424	19.54	0	0
19	Verizon North Inc. (Pennsylvania - GTPA)	74,159	57,689	16,470	120,901	13.62	0	0
20	Verizon North Inc. (Wisconsin - GTWI)	49,323	38,749	10,574	97,486	10.85	0	0
21	Contel of South dba Verizon North System (Indiana - GLIN)	(41,118)	(41,628)	510	2,548	20.00	0	0
22	Verizon North/Contel of South (Michigan GTMI + GLMI = GAMI)	102,275	74,968	27,306	180,670	15.11	0	0
23	Verizon North/Verizon South (GTIL + GLIL = GAIL)	102,976	66,295	36,682	160,763	22.82	0	0
24	Verizon Northwest Inc. (Idaho - GTID)	35,180	22,928	12,252	43,460	28.19	0	0
25	Verizon Northwest Inc. (Oregon - GTOR)	87,935	52,634	35,301	133,691	26.40	0	0
26	Verizon Northwest Inc. (Washington - COWA)	21,055	12,505	8,550	22,949	37.26	0	0
27	Verizon Northwest Inc. (Washington - GTWA)	146,680	76,098	70,582	233,403	30.24	0	0
28	Verizon Northwest, Inc. (West Coast CA - GNCA)	36	587	(551)	3,889	(14.17)	0	0
29	Verizon South Inc. (North Carolina - GTNC)	40,973	30,320	10,652	63,341	16.82	0	0
30	Verizon South Inc. (North Carolina - CONC)	22,743	18,182	4,561	30,810	14.80	0	0
31	Verizon South Inc. (South Carolina - GTSC + COSC = GTST)	38,548	25,796	12,753	44,094	28.92	0	0
32	Verizon South Inc. (Virginia - COVA)	132,173	78,038	54,135	137,025	39.51	0	0
32	Verizon South Inc. (Virginia - GTVA)	2,130	4,042	(1,912)	10,930	(17.50)	0	0
33	Verizon Southwest Inc. (Texas - COTX)	17,030	14,731	2,298	22,954	10.01	0	0
34	Verizon Southwest Inc. (Texas - GTTX)	242,440	163,759	78,681	420,764	18.70	0	0
35	Micronesian Telecommunications Corp. (Northern Mariana Is. - GTMC)	6,267	2,818	3,449	10,170	33.91	0	0

**Interstate Rate of Return Summary**  
**January 1, 2003 - December 31, 2003**  
**Initial Reports Filed April 1, 2004**  
**Price-Cap Carriers**

Name of Company	Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
<b>Sprint</b>	1,185,156	737,102	448,054	1,270,313	35.27	N/A	N/A
36 Central Telephone - Nevada	86,302	41,561	44,741	130,992	34.16	N/A	N/A
37 Sprint - Florida, Inc.	320,186	188,738	131,449	369,895	35.54	N/A	N/A
38 Sprint Local Telephone Companies - Eastern (NJ & PA)	97,295	59,886	37,409	82,432	45.38	N/A	N/A
39 Sprint Local Telephone Companies - Midwest (MO, KS, MN, NE, WY, TX)	181,248	121,822	59,426	235,405	25.24	N/A	N/A
40 Sprint Local Telephone Companies - North Carolina	199,498	123,574	75,924	165,457	45.89	N/A	N/A
41 Sprint Local Telephone Companies - Northwest (OR & WA)	36,613	23,726	12,888	38,458	33.51	N/A	N/A
42 Sprint Local Telephone Companies - Southeast (TN, VA & SC)	121,924	78,175	43,750	127,394	34.34	N/A	N/A
43 United Telephone Co. of Indiana, Inc.	43,484	29,265	14,218	30,599	46.47	N/A	N/A
44 United Telephone Co. of Ohio	98,606	70,356	28,250	89,681	31.50	N/A	N/A
<b>All Other Companies (FCC Generated)</b>	983,761	696,818	286,943	1,230,088	23.33		
45 ALLTEL Nebraska, Inc.	35,273	28,866	6,407	47,705	13.43	0	0
46 Kentucky ALLTEL - Lexington, Inc	87,922	65,466	22,456	83,960	26.75	0	0
47 Kentucky ALLTEL - London, Inc.	15,968	11,256	4,712	17,947	26.26	0	0
48 CenturyTel of Belle-Hermann/So Missouri/Sw Missouri (CNM0)	47,346	28,047	19,299	83,189	23.20	0	0
49 CenturyTel of Central Missouri (CNMC)	19,973	8,726	11,247	23,841	47.17	0	0
50 CenturyTel of Northern Alabama (CNAN)	20,119	15,128	4,991	29,072	17.17	0	0
51 CenturyTel of Southern Alabama (CNAS)	35,777	20,721	15,056	43,598	34.53	0	0
52 Cincinnati Bell Telephone Company	156,558	114,039	42,519	130,897	32.48	N/A	N/A
53 Citizens Telecommunications Cos. (CTC1)	184,872	130,149	54,723	224,294	24.40	N/A	N/A
54 Citizens Telecommunications Cos. (CTC2)	36,021	27,276	8,745	54,184	16.14	N/A	N/A
55 Citizens Telecommunications Cos. (CTC3)	2,409	1,944	465	4,472	10.40	(91)	N/A
56 Citizens Telecommunications Cos. (CTC4)	52,988	37,582	15,406	43,545	35.38	N/A	N/A
57 Citizens Telecommunications Cos. (CTC5)	909	490	419	4,152	40.37	-	N/A
58 Frontier Telephone of Rochester, Inc.	51,867	39,807	12,060	113,077	10.67	N/A	N/A
59 Frontier Tier 2 Concurring Carriers	51,289	35,185	16,104	41,843	38.49	N/A	N/A
60 Frontier Communications of Minnesota & Iowa	34,531	22,831	11,700	36,377	32.16	N/A	N/A
61 Iowa Telecom Service Group	18,039	12,844	5,195	29,546	17.58	N/A	N/A
62 Iowa Telecom Systems Service Group	28,333	18,010	10,323	43,070	23.97	N/A	N/A
63 VALOR New Mexico #1193	9,227	6,306	2,921	15,832	18.45	258	0
64 VALOR New Mexico #1164	10,307	6,721	3,586	17,568	20.41	0	0
65 VALOR Oklahoma	20,065	16,102	3,963	45,596	8.69	315	0
66 VALOR Texas	63,968	49,322	14,646	96,323	15.21	9,570	0
<b>Total</b>	<b>\$20,415,893</b>	<b>\$15,129,066</b>	<b>\$5,286,826</b>				

Maximum Rate of Return	59.89 %
Minimum Rate of Return	(17.50)
Weighted Arithmetic Mean	18.06
Standard Deviation	8.63

**Interstate Rate of Return Summary**  
**January 1, 2002 - December 31, 2002**  
**Final Reports Filed April 1, 2004**  
**Price-Cap Carriers**

	<b>Name of Company</b>	<b>Operating Revenues (000)</b>	<b>Operating Expenses (000)</b>	<b>Operating Income (000)</b>	<b>Average Net Investment (000)</b>	<b>Rate of Return (%)</b>	<b>Sharing/ Low End (000)</b>	<b>FCC Ordered Refund</b>
1	BellSouth Communications, Inc.	\$2,755,169	\$1,645,263	\$1,109,906	\$5,736,983	19.35	N/A	N/A
2	<b>Qwest Communications Inc. Including Malheur and El Paso</b>	2,956,742	2,218,031	738,711	3,679,652	20.08	0	0
	<b>SBC Companies (FCC Generated)</b>	5,629,735	4,420,083	1,209,652	6,611,433	18.30		
3	Southwestern Bell Telephone Company	2,097,003	1,716,917	380,086	2,554,011	14.88	N/A	N/A
4	Ameritech Operating Companies	1,976,101	1,522,870	453,231	2,239,764	20.24	N/A	N/A
5	Nevada Bell Telephone Company	67,092	54,002	13,090	88,115	14.86	N/A	N/A
6	Pacific Bell Telephone Company	1,489,539	1,126,294	363,245	1,729,543	21.00	N/A	N/A
7	Southern New England Telephone Company	341,424	270,084	71,340	386,256	18.47	N/A	N/A
	<b>Verizon Companies (FCC Generated)</b>	8,080,314	5,867,696	2,212,612	14,463,312	15.30		
8	Verizon Telephone Companies (Verizon FCC Tariff No. 1)	5,434,988	4,179,301	1,255,687	10,504,285	11.95	0	N/A
9	Verizon California Inc. (California - GTCA)	554,263	331,802	222,460	780,488	28.50	0	0
10	Verizon California Inc. (Arizona - COAZ)	3,173	2,938	235	3,365	6.99	0	0
11	Verizon California Inc. (California - COCA)	67,959	44,598	23,360	82,782	28.22	0	0
12	Verizon California Inc. (Nevada - CONV)	10,602	6,550	4,052	16,829	24.08	0	0
13	Verizon Florida Inc. (Florida - GTFL)	341,566	222,803	118,763	539,137	22.03	0	0
14	Verizon Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	108,837	74,550	34,287	224,158	15.30	0	0
15	Verizon North Inc. (COPA + COQS = COPT)	19,807	11,725	8,082	18,531	43.61	0	0
16	Verizon North Inc. (Illinois - COIL)	25,748	15,500	10,248	18,946	54.09	0	0
17	Verizon North Inc. (Indiana - COIN)	37,699	21,653	16,045	34,833	46.06	0	0
18	Verizon North Inc. (Ohio - GTOH)	126,521	86,914	39,607	202,785	19.53	0	0
19	Verizon North Inc. (Pennsylvania - GTPA)	80,939	52,366	28,573	127,009	22.50	0	0
20	Verizon North Inc. (Wisconsin - GTWI)	47,888	37,512	10,376	104,849	9.90	0	0
21	Verizon North/Contel of South (Indiana GTIN + GLIN = GAIN)	130,342	82,532	47,809	193,169	24.75	0	0
22	Verizon North/Contel of South (Michigan GTMI + GLMI = GAMI)	104,826	73,533	31,293	188,026	16.64	0	0
23	Verizon North/Verizon South (GTIL + GLIL = GAIL)	117,121	81,262	35,859	166,494	21.54	0	0
24	Verizon Northwest Inc. (Idaho - GTID)	40,177	24,854	15,322	46,419	33.01	0	0
25	Verizon Northwest Inc. (Oregon - GTOR)	92,464	54,911	37,553	143,872	26.10	0	0
26	Verizon Northwest Inc. (Washington - COWA)	18,759	11,599	7,160	22,682	31.57	0	0
27	Verizon Northwest Inc. (Washington - GTWA)	150,040	76,680	73,359	253,197	28.97	0	0
28	Verizon Northwest, Inc. (West Coast CA - GNCA)	969	1,176	(208)	4,015	(5.17)	0	0
29	Verizon South Inc. (North Carolina - GTNC)	48,735	32,000	16,734	71,367	23.45	0	0
30	Verizon South Inc. (North Carolina - CONC)	23,252	16,051	7,201	32,777	21.97	0	0
31	Verizon South Inc. (South Carolina - GTSC + COSC = GTST)	41,856	27,243	14,613	49,000	29.82	0	0
32	Verizon South Inc. (Virginia - COVA)	137,044	81,258	55,786	138,055	40.41	0	0
33	Verizon South Inc. (Virginia - GTVA)	6,098	5,885	214	12,158	1.76	0	0
34	GTE Southwest Inc. dba Verizon Southwest Inc. (Texas - COTX)	17,730	14,281	3,449	27,687	12.46	0	0
35	GTE Southwest Inc. dba Verizon Southwest Inc. (Texas - GTTX)	281,990	190,732	91,258	445,910	20.47	0	0
36	Micronesian Telecommunications Corp. (Northern Mariana Is. - GTMC)	8,921	5,487	3,435	10,487	32.75	0	0

**Interstate Rate of Return Summary**  
**January 1, 2002 - December 31, 2002**  
**Final Reports Filed April 1, 2004**  
**Price-Cap Carriers**

Name of Company	Operating Revenues (000)	Operating Expenses (000)	Operating Income (000)	Average Net Investment (000)	Rate of Return (%)	Sharing/ Low End (000)	FCC Ordered Refund
<b>Sprint</b>	1,102,070	745,332	356,737	1,222,358	29.18	N/A	N/A
37 Central Telephone Company - Nevada Division	77,705	46,157	31,548	132,571	23.80	N/A	N/A
38 Sprint-Florida Incorporated	291,569	184,917	106,652	362,634	29.41	N/A	N/A
39 Sprint Local Telephone Companies - Eastern	89,893	61,593	28,300	74,916	37.78	N/A	N/A
40 Sprint Local Telephone Companies - Midwest	169,915	126,002	43,913	232,438	18.89	N/A	N/A
41 Sprint Local Telephone Companies - North Carolina	188,126	131,800	56,325	153,735	36.64	N/A	N/A
42 Sprint Local Telephone Companies - Northwest	34,702	22,303	12,399	35,819	34.62	N/A	N/A
43 Sprint Local Telephone Companies - Southeast (TN, VA & SC)	112,663	72,888	39,775	117,823	33.76	N/A	N/A
44 United Telephone Co. of Indiana, Inc.	40,358	28,455	11,902	28,510	41.75	N/A	N/A
45 United Telephone Co. of Ohio	97,140	71,217	25,923	83,915	30.89	N/A	N/A
<b>Other Companies (FCC Generated)</b>	910,247	665,959	244,287	1,326,879	18.41		
52 ALLTEL Nebraska, Inc.	38,680	32,668	6,012	49,270	12.20	0	0
53 Kentucky ALLTEL - Lexington, Inc.	87,301	60,412	26,889	96,797	27.78	0	0
54 Kentucky ALLTEL - London, Inc.	16,787	11,288	5,499	19,117	28.76	0	0
55 CenturyTel of Belle-Hermann/Southern Missouri/Southwest Missouri <sup>1</sup>	13,627	9,580	4,047	86,327	4.69	0	0
56 CenturyTel of Central Missouri (Missouri-CNMC) <sup>1</sup>	6,011	3,075	2,936	24,822	11.83	0	0
57 CenturyTel of Northern Alabama <sup>2</sup>	9,772	7,346	2,426	32,380	7.49	0	0
58 CenturyTel of Southern Alabama <sup>2</sup>	17,631	10,285	7,345	46,537	15.78	0	0
59 Cincinnati Bell Telephone Company <sup>3</sup>	156,547	113,878	42,669	148,984	28.64	N/A	N/A
60 Citizens Telecommunications Cos. (CTC1)	180,865	132,589	48,276	250,550	19.27	N/A	N/A
61 Citizens Telecommunications Cos. (CTC2)	43,573	31,614	11,959	57,862	20.67	N/A	N/A
62 Citizens Telecommunications Cos. (CTC3)	2,117	1,713	404	4,519	8.94	(220)	N/A
63 Citizens Telecommunications Cos. (CTC4)	48,098	36,692	11,406	48,927	23.31	N/A	N/A
64 Citizens Telecommunications Cos. (CTC5)	2,955	2,756	199	4,061	4.90	(648)	N/A
65 Frontier Telephone of Rochester, Inc.	47,901	34,542	13,359	116,508	11.47	N/A	N/A
66 Frontier Tier 2 Concurring Carriers	51,804	36,268	15,536	46,604	33.34	N/A	N/A
67 Frontier Communications of Minnesota & Iowa	33,052	22,358	10,694	34,327	31.15	N/A	N/A
68 Iowa Telecommunications Services, Inc. (SAC 351167) <sup>3</sup>	18,753	13,908	4,845	33,973	14.26		
69 Iowa Telecommunications Services, Inc. (SAC 351170 & 351178) <sup>3</sup>	29,440	19,942	9,497	46,390	20.47		
70 VALOR New Mexico #1193	10,209	7,588	2,621	16,504	15.88	0	0
71 VALOR New Mexico #1164	10,203	7,622	2,581	15,312	16.86	263	0
72 VALOR Oklahoma	21,352	17,262	4,091	43,928	9.31	0	0
73 VALOR Texas	63,569	52,573	10,996	103,180	10.66	8,563	0
<b>Total</b>	<b>\$21,775,702</b>	<b>\$15,832,448</b>	<b>\$5,943,245</b>				

<sup>1</sup> Filing is for the period 9/1/02 - 12/31/02.

<sup>2</sup> Filing is for the period 7/1/02 - 12/31/02.

<sup>3</sup> There were no revisions to the initial report.

Maximum Rate of Return	54.09 %
Minimum Rate of Return	(5.17)
Weighted Arithmetic Mean	17.69
Standard Deviation	5.69

**Non-Price Cap Companies  
Rate of Return Summary  
January 1, 2003 - December 31, 2003  
Summary of Reports Filed April 1, 2004**

Name of Company				Switched Traffic Sensitive			
	Interstate	Common Line	Special Access	End Office	Information	Local Transport	Total
National Exchange Carrier Association	13.29 %	12.35 %	17.08 %	-	-	-	13.47 %
1 ACS of Anchorage	19.12	12.54	15.48	32.96 %	(115.83) %	44.20 %	37.92
2 Alhambra-Grantfork Telephone Company	10.31	12.35	(8.85)	40.29		9.12	
3 ALLTEL Alabama, Inc.	11.37	12.54	5.40	11.02	8,149.68	10.80	11.05
4 ALLTEL Arkansas, Inc.	13.36	12.54	11.75	7.64	1,701.98	24.52	18.16
5 ALLTEL Carolina, Inc.	8.09	12.54	(0.39)	8.22	263.58	6.86	7.69
6 ALLTEL Florida, Inc.	13.48	12.54	17.47	9.32	7,704.57	10.63	10.72
7 ALLTEL Georgia Properties	9.92	12.54	3.34	9.14	1,459.96	11.79	10.51
8 ALLTEL Kentucky, Inc.	7.79	12.54	1.03	10.12	0.00	11.76	10.79
9 ALLTEL Mississippi, Inc.	11.28	12.54	(1.98)	3.77	6,496.71	20.36	11.06
10 ALLTEL Missouri, Inc.	12.45	12.54	12.64	15.38	(1,645.57)	9.73	11.94
11 ALLTEL New York, Inc.	12.47	12.54	13.89	7.33	1,173.94	10.08	8.96
12 ALLTEL Oklahoma Properties	11.98	12.54	10.37	11.37	(314.10)	14.00	11.71
13 ALLTEL Pennsylvania, Inc.	9.65	12.54	6.12	8.14	(945.78)	7.80	6.10
14 ALLTEL South Carolina, Inc.	9.26	12.54	0.46	13.35	9,587.82	1.11	9.79
15 Sugar Land Telephone Co.	10.28	12.54	11.07	6.38	(973.30)	4.60	5.11
16 Texas ALLTEL, Inc.	10.73	12.54	7.48	8.90	0.00	13.32	10.06
17 Western Reserve Telephone Company	10.50	12.54	7.37	13.11	(2,646.38)	10.29	11.40
18 C-R Telephone Company	29.48	12.35	168.35	57.25		2.20	29.22
19 CenturyTel of Midwest-Michigan, Inc./CenturyTel of MI., Inc.	16.48	11.25	37.79				
20 CenturyTel of Ohio, Inc.	17.10	12.33	29.30				
21 CenturyTel of Wisconsin, Inc.	24.26	11.25	27.64				
22 Chillicothe Telephone Company, The	18.35	12.95	44.27	2.72		25.26	15.91
23 Coastal Utilities, Inc.	17.55	11.25	33.17	15.22	0.00	6.13	13.90
24 Concord Telephone Co.	18.59	11.25	35.98	30.11	0.00	28.86	24.17
25 El Paso Telephone Co.	25.68	12.35	66.48	30.22		22.70	28.04
26 Farmers Telephone Cooperative, Inc.	11.95	11.25	22.41	17.95	0.00	3.67	9.07
27 Fort Bend Telephone Co. dba TXU Communications	14.42	1.44	123.36	19.00	0.00	25.28	19.19
28 Fort Mill Telephone Company	18.55	12.58	44.24	40.47	0.00	28.35	36.26
29 Gallatin River Communications, LLC	14.50	11.25	25.67	4.59	0.00	16.64	8.58
30 Gulf Telephone Company	17.37	11.25	31.84	14.04	0.00	21.90	19.64
31 Hargray Telephone Company	6.94	11.25	(2.91)	9.39	0.00	13.22	11.45
32 Home Telephone Company, Inc.	10.81	11.25	7.11	14.07	0.00	7.96	12.99
33 Horry Telephone Cooperative, Inc.	11.01	11.25	25.52	8.41	0.00	3.67	4.40
34 Illinois Consolidated Telephone Company	14.15	12.26	11.61	302.78		31.89	32.45
35 Lancaster Telephone Company	14.14	12.58	5.74	25.00	0.00	40.68	27.55
36 Moultrie Independent Telephone Company	5.59	12.93	(5.73)	10.28		9.85	10.24
37 Odin Telephone Exchange, Inc.	11.50		43.69	(5.70)		11.25	(3.79)
38 Puerto Rico Telephone Company	10.55	12.35	10.71	3.91	214.88	6.29	6.17
39 Rock Hill Telephone Company	14.88	12.57	23.23	16.30	0.00	6.79	14.14
40 Surewest Telephone <sup>1</sup>	15.59	12.19	16.98	13.74	0.00	27.84	23.43
41 Telephone Utilities Exchange Carrier Assoc.	17.91	11.25	53.69				
42 TXU Communications Telephone Company, Inc.	15.11	8.97	31.78	28.27	0.00	24.45	24.70
43 Utelco, Inc.							
44 Virgin Islands Telephone Corporation	15.88	10.96	43.04	5.71	(271.38)	55.66	23.46
45 Warwick Valley Telephone Company	13.05	11.34	11.66	14.60	0.00	14.13	14.58
46 Yates City Telephone Company	1.17	12.35	163.11	(41.25)		137.30	(29.08)

<sup>1</sup> Formerly known as Roseville Telephone Company.

Maximum Rate of Return	29.48 %	12.95 %	168.35 %	302.78 %	9,587.82 %	137.30 %	37.92 %
Minimum Rate of Return	1.17	1.44	(8.85)	(41.25)	(2,646.38)	1.11	(29.08)
Weighted Arithmetic Mean	13.20	11.84	16.96	11.04	(32.20)	12.17	11.53
Standard Deviation	3.60	1.27	16.24	8.54	672.56	10.74	7.37