

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

In the Matter of

The Prescription of Revised Percentages of)
 Depreciation pursuant to the Communications)
 Act of 1934, as amended for:)
)
 AT&T Alascom, Inc.)
 Contel of California, Inc.)
 GTE South, Incorporated)
 GTE Southwest, Incorporated)
 New England Telephone Company)
 Southern New England Telephone Company)
 Southwestern Bell Telephone Company)
 U S WEST Communications, Inc.)

MEMORANDUM OPINION AND ORDER

Adopted: December 19, 1996

Released: December 20, 1996

By the Commission: Commissioner Chong issuing a statement.

I. INTRODUCTION

1. In this Memorandum Opinion and Order, we prescribe depreciation rates for seven local exchange carriers and AT&T Alascom, Inc. ("Alascom").¹ The prescribed depreciation rates are based on our analysis of the depreciation studies filed by the carriers, our consultations with various state commission staffs, and a review of the comments.

2. We will commence in the near future a comprehensive review of our depreciation rules. We recognize that these rules may need to be reexamined in light of the Telecommunications Act of 1996.² We also note that the *1996 Act* amended the Communications

¹ Contel of California, Inc. ("Contel"); GTE South, Incorporated ("GTE South"); GTE Southwest, Incorporated ("GTE Southwest"); New England Telephone Company; Southern New England Telephone Company ("SNET"); Southwestern Bell Telephone Company ("Southwestern Bell"); and U S WEST Communications ("U S WEST").

² Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) ("1996 Act").

Act of 1934 to no longer require the Commission to prescribe depreciation rates but to permit the Commission to do so. We prescribe new depreciation rates for these carriers pending our comprehensive review.

3. Before enactment of the *1996 Act*, Section 220(b) of the *Act* stated that "(t)he Commission *shall prescribe* ... depreciation." (emphasis added)³ The *1996 Act*, however, changed the requirement that the "Commission shall prescribe" to "the Commission may prescribe." The phrase "as it determines to be appropriate" was also added. The amended statute now provides that:

The Commission *may* prescribe for such carriers *as it determines to be appropriate*, the classes of property for which depreciation charges may be properly included under operating expenses, and the percentages of depreciation which shall be charged with respect to each of such classes of property, classifying the carriers as it may deem proper for this purpose (emphasis added).⁴

The Commission will consider the implementation of this statutory change in the forthcoming comprehensive review of our depreciation rules. The current proceeding was conducted under, and is governed by, the rules that were enacted under the previous statutory provision. Since those rules have not yet been amended, they remain in effect and govern this proceeding.

II. BACKGROUND

4. Under the Communications Act of 1934, as amended, the Commission may prescribe depreciation rates that are used to compute depreciation expense for communications common carriers.⁵ In accordance with our rules, depreciation rates are prescribed to depreciate fully the carriers' investments on a straight-line basis over the life of the associated plant.⁶ In order to accomplish this, we use the following formula:

$$\text{Depreciation rate} = \frac{100\% - \text{accumulated depreciation \%} - \text{future net salvage \%}}{\text{average remaining life}}$$

³ 47 U.S.C. § 220(b).

⁴ *Id.*

⁵ 47 U.S.C. §§ 151 *et seq.*

⁶ See 47 C.F.R. § 32.2000(g)(2).

Both the average remaining life and the future net salvage factors are based upon estimates,⁷ that require periodic review to ensure their reasonableness.

5. In prescribing depreciation rates, we review two types of studies: full studies and annual update studies. It has been our practice to review full studies of each major local exchange carrier every three years.⁸ Carriers' full studies include data related to their recent plant retirements and plans for future plant additions and retirements, along with their preliminary depreciation proposals. State commissions are encouraged to provide proposals and many do. The Common Carrier Bureau ("Bureau") then independently analyzes carriers' depreciation data and proposals and prepares its own preliminary proposals that are then forwarded to the state commissions and the carriers. Representatives from the Bureau, the state commissions and the carriers jointly discuss the various proposals. At the conclusion of those discussions, the Bureau makes its recommendations to the carriers and the state commission staffs.

6. At the completion of those discussions, the carriers formally file with the Commission proposed depreciation rates pursuant to Section 43.43(b)(1) and (b)(2) that may or may not be consistent with the Bureau's recommendations.⁹ The Bureau places its recommended depreciation rates on public notice to allow interested parties, including the carriers, an opportunity to comment. The Commission then adopts revised depreciation rates after giving full consideration to the comments and the record that has been developed in the proceeding.

7. Carriers are permitted to file studies on an annual basis in order to update their depreciation rates during the two-year period between full studies. Carriers can choose to have their annual update studies reviewed under one of the following procedures: (1) carriers can update their calculations based upon the life and salvage estimates that underlie the Commission's most recent depreciation prescription order; or (2) carriers can select life and salvage factors

⁷ As the formula above indicates, the depreciation rate for an account is a function of the associated plant's average remaining life, future net salvage estimates and the actual accumulated depreciation ratio. The average remaining life is the average of the future life expectancy of the various items in a particular plant account. The future net salvage is the estimated gross salvage of the plant less the estimated cost of removal. The accumulated depreciation ratio is the ratio of the accumulated depreciation to the related plant. The accumulated depreciation account represents the part of a plant account that has been depreciated. See 47 C.F.R. § 32.2000(g)(2)(ii).

⁸ Based on our triennial schedule, we review each year full studies submitted by one-third of the carriers for which we prescribe depreciation rates.

⁹ 47 C.F.R. §§ 43.43(b)(1) and (b)(2).

within the ranges established by the Commission¹⁰ provided that the proposals are consistent with the carriers' operations.¹¹

8. In accordance with our triennial schedule, six of the eight carriers listed in this order submitted full studies proposing revised depreciation rates based upon their revised estimates of the average remaining life, future net salvage, and updated actual accumulated depreciation ratios.¹² These six carriers filed depreciation studies under the Commission's new depreciation procedures, which enable them to use projection life and future net salvage factors based upon the ranges established by the Commission.¹³ Two carriers submitted studies using annual update procedures.¹⁴ Following the procedures described above, the Bureau proposed rates in a Public Notice released August 7, 1996.¹⁵ GTE Service Corporation ("GTE") filed comments on its three full study companies and United Utilities, Inc. ("United Utilities") filed comments on Alascom's annual update proposals. The State of South Carolina Department of Consumer Affairs ("Consumer Advocate") and the Virginia State Corporation Commission Staff ("Virginia Staff") filed reply comments in response to GTE's comments.

III DISCUSSION

9. Full Studies With respect to the full studies filed by New England Telephone Company, SNET, and U S WEST, on a triennial basis, we note that the life and salvage factors underlying the rates in the Public Notice are derived from thorough analysis and discussion. As

¹⁰ See Simplification of the Depreciation Prescription Process, Report and Order, 8 FCC Rcd 8025 (1993) (Depreciation Simplification Order), petitions for recon. pending; see also, Second Report and Order, 9 FCC Rcd 3206 (1994); Third Report and Order, 10 FCC Rcd 8442 (1995). In those proceedings, the Commission adopted streamlined depreciation procedures and established ranges for the underlying factors that are used to compute depreciation rates for plant categories.

¹¹ The requirement that a new depreciation rate be consistent with a carrier's operation is designed to assure that carriers do not arbitrarily select life and salvage estimates simply because they are within the prescribed ranges. A carrier's proposed factors are found to be consistent with its operation if the proposed depreciation rate results in a straight-line depreciation of the service value over the remaining life of the plant. Service value is defined as the difference between the net book cost of a class or subclass of plant and its estimated net salvage. See 47 C.F.R. § 32.2000(g)(2)(ii). Generally, such findings are made for each account by analyzing the mix of assets in the carrier's account, studying historical retirement data, and considering expected retirements and additions to the account based on the carrier's construction and modernization plans.

¹² The carriers that submitted full studies are: Contel; GTE South; GTE Southwest; New England Telephone Company; SNET; and U S WEST.

¹³ See n.10, supra.

¹⁴ The carriers that submitted annual update studies are Alascom and Southwestern Bell.

¹⁵ Comments Invited On Depreciation Rate Prescriptions Proposed for Domestic Telephone Carriers, 11 FCC Rcd 9131 (1990) (Public Notice).

described above, the carriers' proposals are based on detailed depreciation studies. The Bureau has reviewed and analyzed these studies and discussed them with carrier representatives and various state commission staffs. In addition, the Bureau has verified the depreciation rate computations to ensure that the proposed rates are consistent with the life and salvage factors recommended by the Bureau, as well as the methods required under the Commission's rules.¹⁶ Moreover, we note that the proposed rates were placed on public notice and no party objected to the rates of those three carriers. We conclude, therefore, that these proposed depreciation rates are consistent with our depreciation policies and are adequately supported by the carriers' underlying studies. Accordingly, we prescribe the rates as shown in the Appendix.

10. With regard to the full studies of the three GTE companies, Contel,¹⁷ GTE South, and GTE Southwest, the life and salvage factors underlying the rates in the Public Notice are different than the rates proposed by the GTE companies. Our discussion of the GTE issues are detailed below.

11. The Consumer Advocate of the State of South Carolina stated that it supports the interstate depreciation rates proposed by the FCC staff for the state. Further, it stated that there has been no deregulation of intrastate depreciation rates in South Carolina. The Virginia Staff stated that GTE is still a fully-regulated entity in Virginia and will have intrastate depreciation rates prescribed in the traditional fashion. The Consumer Advocate stated that its office as well as the staff of the South Carolina Public Service Commission and the FCC staff were prepared to negotiate acceptable rates but GTE South refused to negotiate. The Virginia Staff noted a similar refusal to negotiate.

12. GTE opposed the depreciation rates proposed by the Bureau, but offered no specific criticism of the methods used to develop those rates. Furthermore, GTE's comments provided no support for the depreciation rates it proposed. We find that the depreciation rates developed by the Bureau are consistent with our depreciation policies and the rates are within the ranges established in our Depreciation Simplification Order.¹⁸ Moreover, the Bureau used the same procedures for determining the proposed depreciation rates for the GTE companies that it used in determining the depreciation rates for the other carriers to which no opposition was lodged, and GTE has provided no justification for departing from those procedures. We therefore adopt the rates proposed by the Bureau as shown in the Appendix.

13. Annual Updates Southwestern Bell submitted an annual update study based on the Commission's streamlined procedures. We reviewed Southwestern Bell's proposal and determined that the carrier computed the rates in accordance with our established procedures.

¹⁶ See n. 6, *supra*.

¹⁷ The California Public Utilities Commission approved the acquisition and merger of Contel with GTE in April 1996.

¹⁸ *Supra*, n. 10.

Neither Southwestern Bell nor any other party filed objections to the Bureau's proposed depreciation rates. We therefore adopt the rates as specified in the Appendix.

14. Alascom submitted an annual update study based on its currently prescribed depreciation factors. United Utilities opposed Alascom's proposed depreciation rates for two of the accounts: buildings and earth station equipment. United Utilities only addresses depreciation rates for facilities that it owns jointly with Alascom.¹⁹ United Utilities argued that Alascom's depreciation rates are "excessively low" and should be increased. These jointly-owned facilities, however, represent only a very small portion of Alascom's total plant included in these accounts. The Commission prescribes depreciation rates for all of the plant categories on Alascom's books. Furthermore, the joint ownership arrangement between these two companies has no bearing on the setting of depreciation rates for Alascom. Alascom's proposed depreciation rates are consistent with our depreciation policies and compatible with the Commission's straight-line depreciation methods. Alascom also calculated its proposed rates using the proper underlying depreciation factors. We therefore adopt Alascom's proposed depreciation rates, as shown in the Appendix.

IV. CONCLUSION

15. Having considered the carriers' proposals, the studies upon which those proposals are based, the views and recommendations of the states, the responses to the Public Notice, and the Bureau's studies and analyses, we adopt the depreciation rates and effective dates listed in the Appendix.

V. ORDERING CLAUSES

16. ACCORDINGLY IT IS ORDERED, pursuant to Sections 4(i), 201-205 and 220(b) of the Communications Act of 1934, as amended, 47 U.S.C. Sections 154(i), 201-205 and 220(b), that the percentages of depreciation set forth in the Appendix to this Order ARE PRESCRIBED, effective January 1, 1996.

17. IT IS FURTHER ORDERED, that this Order is effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

William F. Caton
Acting Secretary

¹⁹ United Utilities stated that it and Alascom each own a 50 per cent interest in certain buildings and equipment for 46 earth station locations.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
AT&T ALASCOM

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	4.1	12	80.3	1.9
2113 AIRCRAFT	---	40	60.0	5.0
2114 SPECIAL PURPOSE VEHICLES	---	15	85.0	5.0
2115 GARAGE WORK EQUIPMENT	8.1	0	92.0	1.0
2116 OTHER WORK EQUIPMENT	4.8	5	86.4	1.8
2121 BUILDINGS	17.4	5	59.6	2.0
2121 SELF SUPPORTED TOWERS	5.7	-25	123.0	0.4
2122 FURNITURE	---	10	89.8	5.0
2123 OFFICE SUPPORT EQUIPMENT	4.5	5	74.6	4.5
2123 COMPANY COMM EQUIPMENT	4.2	10	78.5	2.7
2124 GENERAL COMPUTERS	3.2	5	64.6	9.5
2212 DIGITAL ELEC SWITCHING	---	0	100.0	5.0
2212 AUTOVON DIG SWITCHING	---	-5	105.0	5.0
2220 OPERATOR SYSTEMS	2.5	-5	90.9	5.6
2231 RADIO-EARTH STATIONS	3.7	5	91.2	1.0
2231 RADIO-SATELLITE	6.4	0	42.4	9.0
2231 RADIO-NONCELLULAR	2.3	5	90.5	2.0
2231 RADIO-MICROWAVE	4.0	-2	95.0	1.8
2232 CIRCUIT ANALOG EQUIPMENT	1.7	0	97.8	1.3
2232 CIRCUIT DIGITAL EQUIPMENT	5.9	10	61.3	4.9
2351 PUBLIC TELEPHONE EQUIPMENT	---	4	96.0	5.0
2362 OTHER TERMINAL EQUIPMENT	3.2	10	72.0	5.6
2411 POLE LINES	0.7	-25	121.6	4.9
2411 GUYED TOWERS	1.4	-25	119.6	3.9
2421 AERIAL CABLE-METALLIC	1.5	-5	100.2	3.2
2422 UG CABLE-METALLIC	11.3	-10	63.1	4.2
2422 UG CABLE-NONMETAL	15.7	-10	67.9	2.7
2423 BURIED CABLE-METALLIC	10.4	-5	90.4	1.4
2423 BURIED CABLE-NONMETAL	14.3	-5	56.8	3.4
2425 DEEP SEA CABLE	18.0	0	19.1	4.5
2426 INTRABLDG NTWK CABLE	7.8	0	58.8	5.3

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
CONTEL OF CALIFORNIA

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.4	12	63.6	7.2
2113 AIRCRAFT	---	50	50.0	5.0
2116 OTHER WORK EQ	7.8	0	18.8	10.4
2121 BUILDINGS	16.1	0	50.3	3.1
2122 FURNITURE	7.4	0	67.6	4.4
2123 OFFICE SUPPORT EQ	4.4	0	56.2	10.0
2123 COMPANY COMMUN EQ	2.8	0	61.0	13.9
2124 GEN PURPOSE COMPUTERS	2.4	0	80.6	8.1
2212 DIGITAL ELECTRONIC SW	7.8	0	39.8	7.7
2220 OPERATOR SYSTEMS	---	0	100.0	5.0
2231 RADIO SYSTEMS	3.7	-5	42.0	17.0
2232 CIRCUIT EQ	5.6	-2	47.5	9.7
2351 PUBLIC TELE TERM EQ	3.7	0	66.0	9.2
2362 OTHER TERMINAL EQ	2.4	0	68.5	13.1
2411 POLE LINES	13.5	-57	60.9	7.1
2421 AERIAL CABLE METALLIC	8.8	-23	66.0	6.5
2421 AERIAL CABLE NONMETAL	14.9	-10	48.0	4.2
2422 UNDRGRD CABLE METALLIC	14.2	-10	38.5	5.0
2422 UNDRGRD CABLE NONMETAL	15.1	-10	41.3	4.5
2423 BURIED CABLE METALLIC	12.0	-10	40.9	5.8
2423 BURIED CABLE NONMETAL	15.2	-10	42.1	4.5
2424 SUBMARINE CABLE	4.0	-3	96.5	1.6
2431 AERIAL WIRE	---	-21	120.7	5.0
2441 CONDUIT SYSTEMS	36.0	-10	25.4	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTH, INCORPORATED - ALABAMA

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.5	12	32.1	16.0
2116 OTHER WORK EQUIPMENT	5.7	0	32.7	11.8
2121 BUILDINGS	31.0	0	10.6	2.9
2122 FURNITURE	6.5	0	54.8	7.0
2123 OFFICE SUPPORT EQUIPMENT	3.7	0	-45.6	39.4
2123 COMPANY COMMUN EQUIPMENT	4.5	0	11.9	19.6
2124 GEN PURPOSE COMPUTERS	2.8	0	4.9	34.0
2212 DIGITAL ELECTRONIC SWITCHING	7.6	0	37.6	8.2
2215 ELECTROMECHANICAL SWITCHING @	—	-5	73.4	—
2220 OPERATOR SYSTEMS #	3.7	0	56.5	11.8
2231 RADIO SYSTEMS	5.7	-5	49.3	9.8
2232 CIRCUIT EQUIPMENT	5.8	0	40.4	10.3
2351 PUBLIC TEL TERM EQUIPMENT	3.8	0	92.5	2.0
2362 OTHER TERM EQUIPMENT	2.2	0	89.6	4.7
2411 POLE LINES	14.3	-62	63.0	6.9
2421 AERIAL CABLE-METALLIC	11.6	-45	51.5	8.1
2421 AERIAL CABLE-NONMETAL	14.7	-10	33.1	5.2
2422 UG CABLE-METALLIC	14.0	-22	43.8	5.6
2422 UG CABLE-NONMETAL	14.8	-10	25.9	5.7
2423 BURIED CABLE-METALLIC	11.8	-10	38.8	6.0
2423 BURIED CABLE-NONMETAL	15.1	-10	27.7	5.5
2424 SUBMARINE CABLE	9.7	-5	70.5	3.6
2426 INTRABUILDING CABLE	9.8	-10	62.6	4.8
2431 AERIAL WIRE	4.2	-60	97.6	14.9
2441 CONDUIT SYSTEMS	33.0	-10	29.5	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

@ The net service value for the Electromechanical Switching Account is to be amortized over a twenty-four month period ending December 31, 1997.

The January 1, 1996 reserve imbalance of \$2,242,000 for the Operator Systems Account is to be amortized over a thirty-six month period ending December 31, 1998.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTH, INCORPORATED - NORTH CAROLINA

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net	Depreciation	Life
	Life	Salvage		Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.4	12	55.7	9.5
2115 GARAGE WORK EQUIPMENT	6.9	0	34.5	9.5
2116 OTHER WORK EQUIPMENT	6.0	0	43.9	9.4
2121 BUILDINGS	30.0	0	18.0	2.7
2122 FURNITURE	6.8	0	60.9	5.8
2123 OFFICE SUPPORT EQUIPMENT	4.7	0	57.3	9.1
2123 COMPANY COMMUN EQUIPMENT	4.6	0	25.4	16.2
2124 GEN PURPOSE COMPUTERS	3.0	0	40.3	19.9
2212 DIGITAL ELECTRONIC SWITCHING	6.9	0	35.4	9.4
2220 OPERATOR SYSTEMS	5.3	0	70.8	5.5
2231 RADIO SYSTEMS	2.0	-5	84.0	10.5
2232 CIRCUIT EQUIPMENT	5.3	0	46.4	10.1
2351 PUBLIC TEL TERM EQUIPMENT	3.9	0	83.6	4.2
2362 OTHER TERM EQUIPMENT	2.3	0	90.3	4.2
2411 POLE LINES	14.0	-62	55.0	7.6
2421 AERIAL CABLE-METALLIC	11.6	-18	43.8	6.4
2421 AERIAL CABLE-NONMETAL	14.8	-10	28.0	5.5
2422 UG CABLE-METALLIC	13.9	-13	36.8	5.5
2422 UG CABLE-NONMETAL	14.9	-12	23.7	5.9
2423 BURIED CABLE-METALLIC	9.7	-10	44.2	6.8
2423 BURIED CABLE-NONMETAL	14.8	-10	26.8	5.6
2426 INTRABUILDING CABLE	10.3	-10	52.3	5.6
2431 AERIAL WIRE	4.6	-60	145.8	3.1
2441 CONDUIT SYSTEMS	36.0	-10	20.6	2.5

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTH, INCORPORATED - SOUTH CAROLINA

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.7	12	40.1	12.9
2115 GARAGE WORK EQUIPMENT	8.4	0	72.1	3.3
2116 OTHER WORK EQUIPMENT	6.0	0	36.2	10.6
2121 BUILDINGS	26.0	0	14.1	3.3
2122 FURNITURE	6.4	0	77.2	3.6
2123 OFFICE SUPPORT EQUIPMENT	4.2	0	-23.8	29.5
2123 COMPANY COMM EQUIPMENT	4.6	0	21.9	17.0
2124 GEN PURPOSE COMPUTERS	3.0	0	6.9	31.0
2212 DIGITAL ELECTRONIC SWITCHING	7.3	0	44.4	7.6
2220 OPERATOR SYSTEMS	4.2	0	16.8	19.8
2232 CIRCUIT EQUIPMENT	5.0	0	35.3	12.9
2351 PUBLIC TELE TERM EQUIPMENT	3.6	0	67.0	9.2
2362 OTHER TERMINAL EQUIPMENT	2.3	0	89.5	4.6
2411 POLE LINES	14.1	-63	62.8	7.1
2421 AERIAL CABLE-METALLIC	10.5	-38	61.4	7.3
2421 AERIAL CABLE-NONMETAL	15.0	-10	37.2	4.9
2422 UNDERGROUND CABLE-METALLIC	14.1	-16	39.0	5.5
2422 UNDERGROUND CABLE-NONMETAL	14.9	-10	30.0	5.4
2423 BURIED CABLE-METALLIC	10.6	-10	41.4	6.5
2423 BURIED CABLE-NONMETAL	15.3	-10	24.2	5.6
2424 SUBMARINE CABLE	6.3	-5	89.3	2.5
2426 INTRABUILDING CABLE	9.9	-10	75.2	3.5
2431 AERIAL WIRE	--	-71	171.0	5.0
2441 CONDUIT SYSTEMS	33.0	-10	32.4	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTH, INCORPORATED - VIRGINIA

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net		Life
	Life	Salvage	Depreciation	Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.2	12	54.5	10.5
2116 OTHER WORK EQUIPMENT	6.0	0	31.8	11.4
2121 BUILDINGS	32.0	0	19.8	2.5
2122 FURNITURE	7.4	0	35.5	8.7
2123 OFFICE SUPPORT EQUIPMENT	5.3	0	-2.1	19.3
2123 COMPANY COMM EQUIPMENT	5.2	0	49.7	9.7
2124 GEN PURPOSE COMPUTERS	3.2	0	32.6	21.1
2212 DIGITAL ELECTRONIC SWITCHING	7.1	0	32.0	9.6
2220 OPERATOR SYSTEMS @	4.7	0	26.6	15.6
2231 RADIO SYSTEMS #	3.0	-5	78.0	9.0
2232 CIRCUIT EQUIPMENT	5.7	0	40.2	10.5
2351 PUBLIC TELE TERM EQUIPMENT	4.6	0	34.8	14.2
2362 OTHER TERMINAL EQUIPMENT	3.0	0	67.1	11.0
2411 POLE LINES	13.5	-53	49.3	7.7
2421 AERIAL CABLE-METALLIC	11.3	-21	48.5	6.4
2421 AERIAL CABLE-NONMETAL	14.9	-10	48.5	4.1
2422 UNDERGROUND CABLE-METALLIC	13.9	-19	40.2	5.7
2422 UNDERGROUND CABLE-NONMETAL	14.9	-10	36.4	4.9
2423 BURIED CABLE-METALLIC	12.5	-10	34.5	6.0
2423 BURIED CABLE-NONMETAL	14.9	-10	35.1	5.0
2424 SUBMARINE CABLE	16.4	-5	31.8	4.5
2426 INTRABUILDING CABLE	11.1	-10	66.2	3.9
2431 AERIAL WIRE	4.6	-60	54.5	22.9
2441 CONDUIT SYSTEMS	33.0	-10	26.1	2.5

The figures in Columns B, C, and D are percentages of gross book cost.

@ The January 1, 1996 reserve imbalance of \$870,000 for the Operator Systems Account is to be amortized over a thirty-six month period ending December 31, 1998.

The January 1, 1996 reserve imbalance of \$1,141,000 for the Radio Systems Account is to be amortized over a thirty-six month period ending December 31, 1998.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTHWEST, INCORPORATED - ARKANSAS

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	4.0	16	40.6	10.9
2115 GARAGE WORK EQUIPMENT	5.2	0	52.8	9.1
2116 OTHER WORK EQUIPMENT	5.4	0	58.0	7.8
2121 BUILDINGS	21.0	0	29.5	3.4
2122 FURNITURE	10.2	0	49.8	4.9
2123 OFFICE SUPPORT EQUIPMENT	4.6	0	17.5	17.9
2123 COMPANY COMM EQUIPMENT	3.8	0	42.4	15.2
2124 GEN PURPOSE COMPUTERS	2.7	0	67.6	12.0
2212 DIGITAL ELECTRONIC SWITCHING	8.5	0	35.2	7.6
2215 ELECTROMECHANICAL SWITCHING @	---	0	42.1	---
2231 RADIO SYSTEMS	6.3	0	41.2	9.3
2232 CIRCUIT EQUIPMENT	5.7	0	43.2	10.0
2351 PUBLIC TEL TERM EQUIPMENT	5.6	5	51.5	7.8
2362 OTHER TERMINAL EQUIPMENT	2.6	0	54.9	17.3
2411 POLE LINES	13.9	-106	83.6	8.8
2421 AERIAL CABLE-METALLIC	9.9	-35	61.6	7.4
2421 AERIAL CABLE-NONMETAL	14.1	-10	10.6	7.0
2422 UNDERGROUND CABLE-METALLIC	14.0	-21	50.7	5.0
2422 UNDERGROUND CABLE-NONMETAL	15.0	-10	19.9	6.0
2423 BURIED CABLE-METALLIC	12.1	-10	41.0	5.7
2423 BURIED CABLE-NONMETAL	15.0	-10	25.1	5.7
2426 INTRABUILDING CABLE	12.2	-10	-62.1	14.1
2431 AERIAL WIRE	---	-164	263.3	5.0
2441 CONDUIT SYSTEMS	37.0	-10	20.8	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

@ The net service value for the Electromechanical Switching Account is to be amortized over a twenty-four month period ending December 31, 1997.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTHWEST, INCORPORATED - NEW MEXICO

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	2.3	16	56.5	12.0
2115 GARAGE WORK EQUIPMENT	4.9	0	54.1	9.4
2116 OTHER WORK EQUIPMENT	5.8	0	55.0	7.8
2121 BUILDINGS	20.0	0	34.6	3.3
2122 FURNITURE	10.0	0	62.5	3.8
2123 OFFICE SUPPORT EQUIPMENT	4.3	0	0.2	23.2
2123 COMPANY COMM EQUIPMENT	3.9	0	-3.8	26.6
2124 GEN PURPOSE COMPUTERS	2.2	0	56.8	19.6
2211 ANALOG ELECTRONIC SWITCHING @	—	0	97.2	—
2212 DIGITAL ELECTRONIC SWITCHING	7.0	0	58.3	6.0
2231 RADIO SYSTEMS	7.8	0	51.9	6.2
2232 CIRCUIT EQUIPMENT	5.5	0	78.8	3.9
2351 PUBLIC TELE TERM EQUIPMENT	5.4	0	68.9	5.8
2362 OTHER TERMINAL EQUIPMENT	2.7	0	69.1	11.4
2411 POLE LINES	13.8	-84	82.4	7.4
2421 AERIAL CABLE-METALLIC	9.8	-28	84.5	4.4
2421 AERIAL CABLE-NONMETAL	15.2	-10	99.1	0.7
2422 UNDERGROUND CABLE-METALLIC	13.7	-13	48.5	4.7
2422 UNDERGROUND CABLE-NONMETAL	15.3	-10	6.0	6.8
2423 BURIED CABLE-METALLIC	12.3	-10	46.4	5.2
2423 BURIED CABLE-NONMETAL	15.3	-10	42.8	4.4
2431 AERIAL WIRE	3.9	-74	85.7	22.6
2441 CONDUIT SYSTEMS	33.0	-10	34.7	2.3

The figures in Columns B, C, and D are percentages of gross book cost.

@ The net service value for the Analog Electronic Switching Account is to be amortized over a twelve month period ending December 31, 1996.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTHWEST, INCORPORATED - OKLAHOMA

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net		Depreciation
	Life	Salvage	(%)	Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.8	16	46.8	9.8
2115 GARAGE WORK EQUIPMENT	7.2	0	17.2	11.5
2116 OTHER WORK EQUIPMENT	5.9	0	61.9	6.5
2121 BUILDINGS	19.8	0	30.2	3.5
2122 FURNITURE	9.8	0	48.3	5.3
2123 OFFICE SUPPORT EQUIPMENT	4.4	0	26.5	16.7
2123 COMPANY COMM EQUIPMENT	4.6	0	0.8	21.6
2124 GEN PURPOSE COMPUTERS	2.6	0	98.0	0.8
2212 DIGITAL ELECTRONIC SWITCHING	7.8	0	41.3	7.5
2215 ELECTROMECHANICAL SWITCHING @	--	-5	95.4	--
2231 RADIO SYSTEMS	6.6	-5	-203.9	46.8
2232 CIRCUIT EQUIPMENT	5.7	0	41.3	10.3
2351 PUBLIC TELE TERM EQUIPMENT	5.9	10	51.0	6.6
2362 OTHER TERMINAL EQUIPMENT	2.9	0	51.2	16.8
2411 POLE LINES	14.3	-50	81.2	4.8
2421 AERIAL CABLE-METALLIC	10.6	-10	62.6	4.5
2421 AERIAL CABLE-NONMETAL	14.9	-10	20.6	6.0
2422 UNDERGROUND CABLE-METALLIC	14.4	-12	35.8	5.3
2422 UNDERGROUND CABLE-NONMETAL	15.1	-10	16.1	6.2
2423 BURIED CABLE-METALLIC	12.6	-10	45.1	5.2
2423 BURIED CABLE-NONMETAL	14.6	-10	10.8	6.8
2424 SUBMARINE CABLE	11.5	-5	29.9	6.5
2426 INTRABUILDING CABLE	11.3	-10	50.1	5.3
2431 AERIAL WIRE	--	-202	301.5	5.0
2441 CONDUIT SYSTEMS	37.0	-10	19.7	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

@ The net service value for the Electromechanical Switching Account is to be amortized over a twelve month period ending December 31, 1996.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
GTE SOUTHWEST, INCORPORATED - TEXAS

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining	
	Remaining	Net		Depreciation	Life
	Life	Salvage			Rate
	(years)	(%)	(%)	(%)	
	A	B	C	D=(100%-B-C)/A	
2112 MOTOR VEHICLES	3.0	16	60.4	7.9	
2113 AIRCRAFT	3.6	50	43.2	1.9	
2115 GARAGE WORK EQUIPMENT	6.1	0	36.3	10.4	
2116 OTHER WORK EQUIPMENT	5.6	0	50.5	8.8	
2121 BUILDINGS	19.1	0	26.4	3.9	
2122 FURNITURE	9.8	0	34.2	6.7	
2123 OFFICE SUPPORT EQUIPMENT	5.0	0	34.6	13.1	
2123 COMPANY COMM EQUIPMENT	4.4	0	5.6	21.5	
2124 GEN PURPOSE COMPUTERS	3.3	0	25.0	22.7	
2211 ANALOG ELECTRONIC SWITCHING @	---	0	-109.7	---	
2212 DIGITAL ELECTRONIC SWITCHING	7.9	0	29.7	8.9	
2215 ELECTROMECHANICAL SWITCHING #	---	0	80.2	---	
2220 OPERATOR SYSTEMS	6.5	0	27.9	11.1	
2231 RADIO SYSTEMS	7.6	-5	31.7	9.6	
2232 CIRCUIT EQUIPMENT	4.4	0	58.2	9.5	
2351 PUBLIC TELE TERM EQUIPMENT	5.8	10	35.2	9.4	
2362 OTHER TERMINAL EQUIPMENT	3.0	0	47.1	17.6	
2411 POLE LINES	13.9	-67	70.5	6.9	
2421 AERIAL CABLE-METALLIC	10.3	-18	56.7	6.0	
2421 AERIAL CABLE-NONMETAL	15.0	-10	28.2	5.5	
2422 UNDERGROUND CABLE-METALLIC	14.2	-10	33.3	5.4	
2422 UNDERGROUND CABLE-NONMETAL	14.8	-10	16.4	6.3	
2423 BURIED CABLE-METALLIC	10.9	-10	44.0	6.1	
2423 BURIED CABLE NONMETAL	15.0	-10	26.7	5.6	
2424 SUBMARINE CABLE	14.3	-5	-11.1	8.1	
2426 INTRABUILDING CABLE	11.4	-10	40.5	6.1	
2431 AERIAL WIRE	---	-85	184.7	5.0	
2441 CONDUIT SYSTEMS	35.0	-10	24.5	2.4	

The figures in Columns B, C, and D are percentages of gross book cost.

@ The net service value for the Analog Electronic Switching Account is to be amortized over a twelve month period ending December 31, 1996.

The net service value for the Electromechanical Switching Account is to be amortized over a thirty-six month period ending December 31, 1998.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
NYNEX - NEW ENGLAND - MAINE

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net	Depreciation	Life
	Life	Salvage		Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	---	10	90.2	5.0
2114 SPECIAL PURPOSE VEHICLES	9.9	0	4.0	9.7
2115 GARAGE WORK EQUIPMENT	7.0	0	75.8	3.5
2116 OTHER WORK EQUIPMENT	8.4	0	35.8	7.6
2121 BUILDINGS	23.0	5	33.4	2.7
2122 FURNITURE	8.9	0	31.5	7.7
2123 OFFICE SUPPORT EQUIPMENT	4.8	0	34.1	13.7
2123 OFFICIAL COMM EQUIPMENT	2.2	0	62.6	17.0
2124 GEN PURPOSE COMPUTERS	2.7	0	40.3	22.1
2211 ANALOG ELECTRONIC SWITCHING	1.1	-2	84.6	15.8
2212 DIGITAL ELECTRONIC SWITCHING	8.3	0	35.0	7.8
2220 OPERATOR SYSTEMS	4.4	0	27.4	16.5
2231 RADIO SYSTEMS	1.6	-5	81.6	14.6
2232 CIRCUIT EQUIPMENT-DDS	3.8	-5	60.8	11.6
2232 CIRCUIT EQUIPMENT-DIGITAL	5.6	0	54.1	8.2
2232 CIRCUIT EQUIPMENT-ANALOG	3.3	-5	57.7	14.3
2311 STATION APPARATUS	1.9	0	71.5	15.0
2351 PUBLIC TEL TERM EQUIPMENT	3.9	0	54.3	11.7
2362 OTHER TERM EQUIPMENT	4.1	-5	60.9	10.8
2411 POLE LINES	18.6	-50	46.5	5.6
2421 AERIAL CABLE-EXCH METALLIC	10.5	-22	58.5	6.0
2421 AERIAL CABLE-EXCH NONMETAL	16.5	-22	12.0	6.7
2421 AERIAL CABLE-TOLL METALLIC	---	-18	118.0	5.0
2421 AERIAL CABLE-TOLL NONMETAL	15.8	-18	27.9	5.7
2422 UG CABLE- EXCH METALLIC	13.5	-28	58.1	5.2
2422 UG CABLE-EXCH NONMETAL	14.0	-28	23.3	7.5
2422 UG CABLE-TOLL METALLIC	---	-22	122.0	5.0
2422 UG CABLE- TOLL NONMETAL	15.0	-14	31.7	5.5
2423 BURIED CABLE-EXCH METALLIC	8.6	-10	46.5	7.4
2423 BURIED CABLE-EXCH NONMETAL	15.1	0	2.5	6.5
2423 BURIED CABLE-TOLL METALLIC	1.6	-10	103.2	4.3
2423 BURIED CABLE-TOLL NONMETAL	16.3	-5	16.6	5.4
2424 SUBMARINE CABLE- EXCH METALLIC	7.4	-5	71.5	4.5
2424 SUBMARINE CABLE-TOLL METALLIC	7.5	-5	69.0	4.8
2424 SUBMARINE CABLE-TOLL NONMETAL	18.5	-5	17.7	4.7
2426 INTRABLDG NTWK CABLE-METALLIC	11.5	-26	48.8	6.7
2431 AERIAL WIRE	4.1	-37	99.0	9.3
2441 CONDUIT SYSTEMS	39.0	-10	23.4	2.2

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
NYNEX - NEW ENGLAND - MASSACHUSETTS

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net	Depreciation	Life
	Life	Salvage		Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	---	12	88.3	5.0
2114 SPECIAL PURPOSE VEHICLES	6.0	0	81.7	3.1
2115 GARAGE WORK EQUIPMENT	6.6	0	67.7	4.9
2116 OTHER WORK EQUIPMENT	8.6	0	35.8	7.5
2121 BUILDINGS	24.0	5	28.6	2.8
2122 FURNITURE	7.9	0	29.9	8.9
2123 OFFICE SUPPORT EQUIPMENT	4.9	0	30.9	14.1
2123 OFFICIAL COMM EQUIPMENT	2.5	0	63.2	14.7
2124 GEN PURPOSE COMPUTERS	2.8	0	53.6	16.6
2211 ANALOG ELECTRONIC SWITCHING	1.0	-2	78.9	23.1
2212 DIGITAL ELECTRONIC SWITCHING	8.3	0	35.6	7.8
2220 OPERATOR SYSTEMS	3.7	0	24.8	20.3
2231 RADIO SYSTEMS	2.1	-5	93.8	5.3
2232 CIRCUIT EQUIPMENT-DDS	3.7	-5	79.5	6.9
2232 CIRCUIT EQUIPMENT-DIGITAL	5.5	0	51.8	8.8
2232 CIRCUIT EQUIPMENT-ANALOG	3.1	-5	81.1	7.7
2311 STATION APPARATUS	1.4	0	98.4	1.1
2351 PUBLIC TEL TERM EQUIPMENT	3.5	0	61.2	11.1
2362 OTHER TERM EQUIPMENT	4.0	-5	58.7	11.6
2411 POLE LINES	23.0	-125	57.0	7.3
2421 AERIAL CABLE-EXCH METALLIC	11.8	-33	51.3	6.9
2421 AERIAL CABLE- EXCH NONMETAL	14.5	-25	18.1	7.4
2421 AERIAL CABLE-TOLL METALLIC	---	-24	124.0	5.0
2421 AERIAL CABLE-TOLL NONMETALLIC	15.8	-24	27.0	6.1
2422 UG CABLE-EXCH METALLIC	13.5	-40	62.6	5.7
2422 UG CABLE-EXCH NONMETAL	14.1	-40	28.9	7.9
2422 UG CABLE-TOLL METALLIC	---	-33	133.0	5.0
2422 UG CABLE-TOLL NONMETAL	14.7	-33	37.3	6.5
2423 BURIED CABLE-EXCH METALLIC	12.1	-10	47.0	5.2
2423 BURIED CABLE-EXCH NONMETAL	14.4	-10	28.6	5.7
2423 BURIED CABLE-TOLL METALLIC	---	-5	105.0	5.0
2423 BURIED CABLE-TOLL NONMETAL	16.1	-5	20.8	5.2
2424 SUBMARINE CABLE-EXCH METALLIC	3.8	-10	99.4	2.8
2424 SUBMARINE CABLE-EXCH NONMETAL	19.5	-5	12.8	4.7
2424 SUBMARINE CABLE-TOLL METALLIC	5.3	-10	85.8	4.6
2424 SUBMARINE CABLE-TOLL NONMETAL	16.7	-10	27.1	5.0
2426 INTRABLDG NTWK CABLE-METALLIC	11.3	-26	35.8	8.0
2426 INTRABLDG NTWK CABLE-NONMETAL	14.6	-25	12.0	7.7
2431 AERIAL WIRE	5.8	-86	144.9	7.1
2441 CONDUIT SYSTEMS	38.0	-10	27.5	2.2

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
NYNEX - NEW ENGLAND - NEW HAMPSHIRE

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net	Depreciation	Life
	Life	Salvage		Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	0.6	11	87.4	2.7
2114 SPECIAL PURPOSE VEHICLES	8.3	0	60.5	4.8
2115 GARAGE WORK EQUIPMENT	7.2	0	58.3	5.8
2116 OTHER WORK EQUIPMENT	8.2	0	42.7	7.0
2121 BUILDINGS	24.0	5	27.9	2.8
2122 FURNITURE	8.4	0	19.4	9.6
2123 OFFICE SUPPORT EQUIPMENT	6.0	0	19.1	13.5
2123 OFFICIAL COMM EQUIPMENT	3.2	0	54.1	14.3
2124 GEN PURPOSE COMPUTERS	2.9	0	36.7	21.8
2211 ANALOG ELECTRONIC SWITCHING	1.1	-2	57.9	40.1
2212 DIGITAL ELECTRONIC SWITCHING	8.2	0	38.0	7.6
2220 OPERATOR SYSTEMS	4.0	0	13.5	21.6
2231 RADIO SYSTEMS	3.6	-5	77.9	7.5
2232 CIRCUIT EQUIPMENT-DDS	3.6	-5	67.3	10.5
2232 CIRCUIT EQUIPMENT-DIGITAL	5.6	0	52.1	8.6
2232 CIRCUIT EQUIPMENT-ANALOG	3.3	-5	79.0	7.9
2311 STATION APPARATUS	1.9	0	85.9	7.4
2351 PUBLIC TEL TERM EQUIPMENT	3.8	0	54.2	12.1
2362 OTHER TERM EQUIPMENT	4.6	-5	67.6	8.1
2411 POLE LINES	19.1	-55	44.8	5.8
2421 AERIAL CABLE-EXCH METALLIC	10.4	-24	57.9	6.4
2421 AERIAL CABLE-EXCH NONMETAL	16.3	-24	17.4	6.5
2421 AERIAL CABLE-TOLL METALLIC	--	-20	120.0	5.0
2421 AERIAL CABLE-TOLL NONMETAL	15.6	-17	28.8	5.7
2422 UG CABLE-EXCH METALLIC	14.0	-17	51.2	4.7
2422 UG CABLE-EXCH NONMETAL	14.0	-17	26.5	6.5
2422 UG CABLE-TOLL METALLIC	--	-29	129.0	5.0
2422 UG CABLE-TOLL NONMETAL	15.0	-17	34.5	5.5
2423 BURIED CABLE-EXCH METALLIC	9.9	-10	53.5	5.7
2423 BURIED CABLE-EXCH NONMETAL	15.8	-10	27.3	5.2
2423 BURIED CABLE-TOLL METALLIC	2.4	-5	97.6	3.1
2423 BURIED CABLE-TOLL NONMETAL	16.1	-5	21.1	5.2
2424 SUBMARINE CABLE-EXCH METALLIC	10.8	-10	62.9	4.4
2424 SUBMARINE CABLE-EXCH NONMETAL	18.7	-5	17.0	4.7
2424 SUBMARINE CABLE-TOLL METALLIC	9.3	-5	57.1	5.2
2426 INTRABLDG NTKW CABLE-METALLIC	11.9	-28	44.6	7.0
2426 INTRABLDG NTKW CABLE-NONMETAL	16.0	-27	24.0	6.4
2431 AERIAL WIRE	4.9	-69	120.4	9.9
2441 CONDUIT SYSTEMS	40.0	-10	22.7	2.2

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
NYNEX - NEW ENGLAND - RHODE ISLAND

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net		Depreciation
	Life	Salvage	Depreciation	Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	0.6	12	74.9	21.8
2115 GARAGE WORK EQUIPMENT	6.8	0	65.2	5.1
2116 OTHER WORK EQUIPMENT	9.0	0	34.9	7.2
2121 BUILDINGS	24.0	5	27.0	2.8
2122 FURNITURE	8.3	0	17.7	9.9
2123 OFFICE SUPPORT EQUIPMENT	3.8	0	24.3	19.9
2123 OFFICIAL COMM EQUIPMENT	2.5	0	62.8	14.9
2124 GEN PURPOSE COMPUTERS	3.4	0	33.8	19.5
2212 DIGITAL ELECTRONIC SWITCHING	8.7	0	28.4	8.2
2220 OPERATOR SYSTEMS	5.0	0	-10.5	22.1
2231 RADIO SYSTEMS	3.8	-5	100.6	1.2
2232 CIRCUIT EQUIPMENT-DDS	3.7	-5	81.1	6.5
2232 CIRCUIT EQUIPMENT-DIGITAL	5.4	0	52.3	8.8
2232 CIRCUIT EQUIPMENT-ANALOG	2.7	-5	74.6	11.3
2311 STATION APPARATUS	1.2	0	79.9	16.8
2351 PUBLIC TEL TERM EQUIPMENT	4.0	0	49.7	12.6
2362 OTHER TERM EQUIPMENT	3.0	-5	73.9	10.4
2411 POLE LINES	24.0	-150	46.6	8.5
2421 AERIAL CABLE-EXCH METALLIC	10.2	-32	59.2	7.1
2421 AERIAL CABLE-EXCH NONMETAL	15.1	-32	16.5	7.6
2421 AERIAL CABLE-TOLL METALLIC	---	-22	122.0	5.0
2421 AERIAL CABLE-TOLL NONMETAL	15.4	-22	31.6	5.9
2422 UG CABLE-EXCH METALLIC	13.4	-43	68.2	5.6
2422 UG CABLE-EXCH NONMETAL	14.2	-30	24.2	7.5
2422 UG CABLE-TOLL METALLIC	---	-23	123.0	5.0
2422 UG CABLE-TOLL NONMETAL	15.0	-20	29.8	6.0
2423 BURIED CABLE-EXCH METALLIC	10.9	-5	53.0	4.8
2423 BURIED CABLE-EXCH NONMETAL	13.4	-5	42.9	4.6
2424 SUBMARINE CABLE-EXCH METALLIC	7.4	-5	95.1	1.3
2424 SUBMARINE CABLE-EXCH NONMETAL	14.3	-5	36.1	4.8
2424 SUBMARINE CABLE-TOLL METALLIC	2.9	-5	72.1	11.3
2424 SUBMARINE CABLE-TOLL NONMETAL	18.6	-5	15.4	4.8
2426 INTRABLDG NTWK CABLE-METALLIC	11.3	-35	46.9	7.8
2431 AERIAL WIRE	5.1	-30	108.4	4.2
2441 CONDUIT SYSTEMS	34.0	-10	38.7	2.1

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
NYNEX - NEW ENGLAND - VERMONT

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net	Depreciation	Life
	Life	Salvage		Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	0.5	7	87.6	10.8
2114 SPECIAL PURPOSE VEHICLES	6.3	0	69.3	4.9
2115 GARAGE WORK EQUIPMENT	9.1	0	34.7	7.2
2116 OTHER WORK EQUIPMENT	8.8	0	35.6	7.3
2121 BUILDINGS	19.6	5	33.2	3.2
2122 FURNITURE	7.6	0	45.3	7.2
2123 OFFICE SUPPORT EQUIPMENT	5.4	0	-60.3	29.7
2123 OFFICIAL COMM EQUIPMENT	2.0	0	67.6	16.2
2124 GEN PURPOSE COMPUTERS	3.1	0	42.6	18.5
2211 ANALOG ELECTRONIC SWITCHING	1.0	-2	48.3	53.7
2212 DIGITAL ELECTRONIC SWITCHING	8.6	0	41.4	6.8
2220 OPERATOR SYSTEMS	4.7	0	25.4	15.9
2231 RADIO SYSTEMS	---	-7	107.0	5.0
2232 CIRCUIT EQUIPMENT-DDS	3.8	-5	50.5	14.3
2232 CIRCUIT EQUIPMENT-DIGITAL	5.4	0	56.0	8.1
2232 CIRCUIT EQUIPMENT-ANALOG	4.2	-5	76.0	6.9
2311 STATION APPARATUS	1.9	0	72.9	14.3
2351 PUBLIC TEL TERM EQUIPMENT	3.4	0	56.0	12.9
2362 OTHER TERM EQUIPMENT	4.7	-5	74.0	6.6
2411 POLE LINES	17.2	-65	54.3	6.4
2421 AERIAL CABLE-EXCH METALLIC	11.0	-35	59.9	6.8
2421 AERIAL CABLE-EXCH NONMETAL	17.6	-33	13.7	6.8
2421 AERIAL CABLE-TOLL METALLIC	---	-14	114.0	5.0
2421 AERIAL CABLE-TOLL NONMETAL	16.2	-14	22.1	5.7
2422 UG CABLE-EXCH METALLIC	13.8	-38	55.0	6.0
2422 UG CABLE-EXCH NONMETAL	13.9	-36	26.5	7.9
2422 UG CABLE-TOLL METALLIC	---	-11	111.0	5.0
2422 UG CABLE-TOLL NONMETAL	15.2	-11	34.9	5.0
2423 BURIED CABLE-EXCH METALLIC	11.2	-10	43.9	5.9
2423 BURIED CABLE-EXCH NONMETAL	15.7	0	0.0	6.4
2423 BURIED CABLE-TOLL METALLIC	---	-4	104.0	5.0
2423 BURIED CABLE-TOLL NONMETAL	14.1	-4	38.4	4.7
2424 SUBMARINE CABLE-EXCH METALLIC	3.5	-10	92.5	5.0
2424 SUBMARINE CABLE-TOLL METALLIC	1.9	-10	106.3	1.9
2424 SUBMARINE CABLE-TOLL NONMETAL	17.0	-10	26.3	4.9
2426 INTRABLG NTWK CABLE-METALLIC	11.5	-35	40.6	8.2
2431 AERIAL WIRE	4.6	-73	117.1	12.2
2441 CONDUIT SYSTEMS	41.0	-10	22.2	2.1

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
SOUTHERN NEW ENGLAND TELEPHONE COMPANY

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.8	7	53.9	10.3
2115 GARAGE WORK EQUIPMENT	6.1	0	33.1	11.0
2116 OTHER WORK EQUIPMENT	4.8	2	62.2	7.5
2121 BUILDINGS	23.0	-5	32.7	3.1
2122 FURNITURE	7.9	1	36.6	7.9
2123 OFFICE SUPPORT EQUIPMENT	5.5	0	63.7	6.6
2123 COMPANY COMM EQUIPMENT	3.4	0	40.6	17.5
2124 GEN PURPOSE COMPUTERS	2.7	1	58.6	15.0
2211 ANALOG ESS	2.0	-4	73.4	15.3
2212 DIGITAL ESS	8.5	0	31.1	8.1
2220 OPERATOR SYSTEMS	2.2	0	89.8	4.6
2231 RADIO SYSTEMS	---	0	-4.8	---
2232 DIGITAL CIRCUIT	5.5	0	48.8	9.3
2232 ANALOG CIRCUIT	2.8	-5	82.3	8.1
2351 PUBLIC TEL EQUIPMENT	5.1	0	33.1	13.1
2362 OTHER TERMINAL EQUIPMENT	2.3	-5	53.5	22.4
2411 POLE LINES	20.0	-75	61.9	5.7
2421 AERIAL CABLE	10.6	-20	49.4	6.7
2422 UG CABLE-METALLIC	11.3	-12	58.1	4.8
2422 UG CABLE-NONMETALLIC	18.7	-10	11.9	5.2
2423 BURIED CABLE	10.3	-10	43.3	6.5
2424 SUBMARINE CABLE	9.8	-11	72.3	3.9
2426 INTRABLDG NTWK CABLE	3.4	-27	40.4	25.5
2441 CONDUIT SYSTEMS	36.0	-10	32.8	2.1

The figures in Columns B, C, and D are percentages of gross book cost.

Ⓢ The net service value for the Radio Systems Account is to be amortized over a thirty-six month period ending December 31, 1998.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
SOUTHWESTERN BELL TELEPHONE COMPANY - ARKANSAS

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.4	10	53.5	10.7
2115 GARAGE WORK EQUIPMENT	7.3	1	32.1	9.2
2116 OTHER WORK EQUIPMENT	8.6	1	43.9	6.4
2121 BUILDINGS	30.0	4	23.4	2.4
2122 FURNITURE	9.6	1	79.1	2.1
2123 OFFICE SUPPORT	5.5	2	30.1	12.3
2123 COMPANY COMM EQUIPMENT	4.0	5	54.7	10.1
2124 GEN PURPOSE COMPUTERS	3.1	5	62.3	10.5
2211 ANALOG ELECTRONIC SWITCHING @	---	-2	26.8	---
2212 DIGITAL ELECTRONIC SWITCHING	9.5	4	24.7	7.5
2220 OPERATOR SYSTEMS	4.1	0	37.5	15.2
2231 RADIO SYSTEMS	3.9	-5	22.6	21.1
2232 DIGITAL DATA SYSTEMS	3.8	0	49.5	13.3
2232 DIGITAL CIRCUIT	5.8	0	36.3	11.0
2232 ANALOG CIRCUIT	3.4	-4	62.8	12.1
2311 STATION APPARATUS	3.9	-2	89.0	3.3
2341 LARGE PBX	3.5	-2	52.0	14.3
2351 PUBLIC TELEPHONE	4.1	0	81.1	4.6
2362 OTHER TERMINAL EQUIPMENT	3.9	0	54.8	11.6
2411 POLE LINES	16.2	-77	81.0	5.9
2421 AERIAL CABLE-METALLIC	13.5	-43	83.4	4.4
2421 AERIAL CABLE-NONMETAL	13.3	-15	8.9	8.0
2422 UG CABLE-METALLIC	13.4	-31	60.4	5.3
2422 UG CABLE-NONMETAL	14.5	-10	23.3	6.0
2423 BURIED CABLE-METALLIC	9.7	-4	51.4	5.4
2423 BURIED CABLE-NONMETAL	14.2	-4	18.8	6.0
2424 SUBMARINE CABLE	12.0	-1	51.0	4.2
2426 INTRABLDG NTWK CABLE-METALLIC	13.7	-17	78.3	2.8
2426 INTRABLDG NTWK CABLE-NONMETAL	10.8	-5	4.8	9.3
2431 AERIAL WIRE	5.8	-64	140.3	4.1
2441 CONDUIT SYSTEMS	32.0	-10	32.9	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

@ The amortization amount for the Analog ESS Account ordered in FCC 96-22, released January 26, 1996, is continued.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
SOUTHWESTERN BELL TELEPHONE COMPANY - KANSAS

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.7	12	51.5	9.9
2115 GARAGE WORK EQUIPMENT	4.8	3	41.5	11.6
2116 OTHER WORK EQUIPMENT	8.4	1	42.8	6.7
2121 BUILDINGS	26.0	6	26.8	2.6
2122 FURNITURE	10.0	6	15.0	7.9
2123 OFFICE SUPPORT	5.6	1	26.5	12.9
2123 COMPANY COMM EQUIPMENT	3.9	1	47.6	13.2
2124 GEN PURPOSE COMPUTERS	3.4	5	54.6	11.9
2211 ANALOG ELECTRONIC SWITCHING	5.4	-2	41.1	11.3
2212 DIGITAL ELECTRONIC SWITCHING	9.2	4	25.2	7.7
2220 OPERATOR SYSTEMS	4.6	0	6.3	20.4
2231 RADIO SYSTEMS	4.1	-5	45.9	14.4
2232 DIGITAL DATA SYSTEMS	3.6	0	56.7	12.0
2232 DIGITAL CIRCUIT	5.6	0	43.6	10.1
2232 ANALOG CIRCUIT	4.6	-4	60.9	9.4
2311 STATION APPARATUS	4.7	-2	57.7	9.4
2341 LARGE PBX	4.3	-2	66.8	8.2
2351 PUBLIC TELEPHONE	6.0	3	64.5	5.4
2362 OTHER TERMINAL EQUIPMENT	3.7	-2	53.8	13.0
2411 POLE LINES	10.7	-91	108.5	7.7
2421 AERIAL CABLE-METALLIC	10.7	-32	57.2	7.0
2421 AERIAL CABLE-NONMETAL	12.8	-15	16.2	7.7
2422 UG CABLE-METALLIC	14.8	-8	61.0	3.2
2422 UG CABLE-NONMETAL	13.1	-8	28.0	6.1
2423 BURIED CABLE-METALLIC	9.9	-9	51.1	5.8
2423 BURIED CABLE-NONMETAL	14.7	-6	21.6	5.7
2424 SUBMARINE CABLE	11.3	0	74.6	2.2
2426 INTRABLDG NTKW CABLE-METALLIC	13.4	-17	59.1	4.3
2426 INTRABLDG NTKW CABLE-NONMETAL	11.4	-5	41.5	5.6
2431 AERIAL WIRE	2.6	-84	141.7	16.3
2441 CONDUIT SYSTEMS	31.0	-10	28.6	2.6

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
SOUTHWESTERN BELL TELEPHONE COMPANY - MISSOURI

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.6	10	54.3	9.9
2115 GARAGE WORK EQUIPMENT	6.9	5	28.9	9.6
2116 OTHER WORK EQUIPMENT	8.5	3	46.1	6.0
2121 BUILDINGS	42.0	4	20.8	1.8
2122 FURNITURE	9.7	7	-25.6	12.2
2123 OFFICE SUPPORT	5.8	0	20.3	13.7
2123 COMPANY COMM EQUIPMENT	4.9	11	47.0	8.6
2124 GEN PURPOSE COMPUTERS	3.2	5	42.9	16.3
2211 ANALOG ELECTRONIC SWITCHING	5.2	0	45.5	10.5
2212 DIGITAL ELECTRONIC SWITCHING	9.1	4	27.4	7.5
2220 OPERATOR SYSTEMS	8.3	3	38.8	7.0
2231 RADIO SYSTEMS	4.0	-5	48.0	14.3
2232 DIGITAL DATA SYSTEMS	3.4	0	70.3	8.7
2232 DIGITAL CIRCUIT	5.7	0	39.5	10.6
2232 ANALOG CIRCUIT	5.1	-3	61.8	8.1
2311 STATION APPARATUS	4.4	-2	68.7	7.6
2341 LARGE PBX	4.4	-2	41.6	13.7
2351 PUBLIC TELEPHONE	7.6	15	58.4	3.5
2362 OTHER TERMINAL EQUIPMENT	3.5	1	54.2	12.8
2411 POLE LINES	21.0	-120	78.3	6.7
2421 AERIAL CABLE-METALLIC	14.0	-46	59.0	6.2
2421 AERIAL CABLE-NONMETAL	13.2	-15	5.9	8.3
2422 UNDERGROUND CABLE-METALLIC	13.9	-9	59.1	3.6
2422 UNDERGROUND CABLE-NONMETAL	13.1	-9	24.5	6.5
2423 BURIED CABLE-METALLIC	10.4	-10	40.8	6.7
2423 BURIED CABLE-NONMETAL	14.8	-5	21.0	5.7
2424 SUBMARINE CABLE	11.7	2	52.6	3.9
2426 INTRABLDG NTWK CABLE-METALLIC	12.8	-17	44.6	5.7
2426 INTRABLDG NTWK CABLE-NONMETAL	11.4	-5	4.9	8.8
2431 AERIAL WIRE	3.9	-211	199.9	28.5
2441 CONDUIT SYSTEMS	46.0	-6	26.8	1.7

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
SOUTHWESTERN BELL TELEPHONE COMPANY - OKLAHOMA

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.4	12	54.0	10.0
2115 GARAGE WORK EQUIPMENT	6.3	0	9.1	14.4
2116 OTHER WORK EQUIPMENT	8.3	0	47.2	6.4
2121 BUILDINGS	25.0	3	37.9	2.4
2122 FURNITURE	10.0	7	-25.9	11.9
2123 OFFICE SUPPORT	5.0	0	28.2	14.4
2123 COMPANY COMM EQUIPMENT	3.7	2	67.1	8.4
2124 GEN PURPOSE COMPUTERS	3.3	3	80.5	5.0
2211 ANALOG ELECT SWITCHING	5.7	-2	44.6	10.1
2212 DIGITAL ELECT SWITCHING	9.1	4	24.4	7.9
2215 STEP-BY-STEP @	—	-6	41.4	—
2220 OPERATOR SYSTEMS	3.7	1	46.3	14.2
2231 RADIO SYSTEMS	1.6	-5	67.1	23.7
2232 DIGITAL DATA SYSTEMS	4.6	0	63.0	8.0
2232 DIGITAL CIRCUIT	5.8	0	38.7	10.6
2232 ANALOG CIRCUIT	4.9	-4	77.4	5.4
2311 STATION APPARATUS	4.4	-2	58.4	9.9
2341 LARGE PBX	5.2	-2	49.8	10.0
2351 PUBLIC TELEPHONE	5.8	1	67.6	5.4
2362 OTHER TERMINAL EQPT	3.5	-2	59.3	12.2
2411 POLE LINES	13.6	-158	123.2	9.9
2421 AERIAL CABLE-METALLIC	13.1	-48	82.1	5.0
2421 AERIAL CABLE-NONMETAL	14.9	-15	11.0	7.0
2422 UG CABLE-METALLIC	13.2	-11	60.9	3.8
2422 UG CABLE-NONMETAL	14.2	-10	29.9	5.6
2423 BURIED CABLE-METALLIC	9.8	-7	56.1	5.2
2423 BURIED CABLE-NONMETAL	14.9	-6	21.3	5.7
2424 SUBMARINE CABLE	12.4	-4	76.5	2.2
2426 INTRABLDG NTWK CABLE-METALLIC	13.4	-17	83.4	2.5
2426 INTRABLDG NTWK CABLE-NONMETAL	12.1	-5	16.6	7.3
2431 AERIAL WIRE	5.7	-84	157.6	4.6
2441 CONDUIT SYSTEMS	33.0	-6	26.3	2.4

The figures in Columns B, C, and D are percentages of gross book cost.

@ The amortization amount for the Step-By-Step Account ordered in FCC 96-22, released January 26, 1996, is continued.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
SOUTHWESTERN BELL TELEPHONE COMPANY - TEXAS

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net		Depreciation
	Life	Salvage	(%)	Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	4.4	9	54.5	8.3
2115 GARAGE WORK EQUIPMENT	5.3	-100	48.4	28.6
2116 OTHER WORK EQUIPMENT	8.2	2	45.9	6.4
2121 BUILDINGS	30.0	4	25.6	2.3
2122 FURNITURE	9.2	7	72.0	2.3
2123 OFFICE SUPPORT	5.3	2	47.9	9.5
2123 COMPANY COMM EQUIPMENT	3.7	1	62.3	9.9
2124 GEN PURPOSE COMPUTERS	3.5	5	52.9	12.0
2211 ANALOG ELECTRONIC SWITCHING	5.0	-2	62.9	7.8
2212 DIGITAL ELECTRONIC SWITCHING	9.0	4	30.9	7.2
2220 OPERATOR SYSTEMS	7.0	1	55.5	6.2
2231 RADIO SYSTEMS	3.9	-5	54.8	12.9
2232 DIGITAL DATA SYSTEMS	4.9	0	57.2	8.7
2232 DIGITAL CIRCUIT	5.7	0	43.5	9.9
2232 ANALOG CIRCUIT	3.2	-4	71.2	10.3
2311 STATION APPARATUS	4.7	-2	49.2	11.2
2341 LARGE PBX	4.8	-2	54.1	10.0
2351 PUBLIC TELEPHONE	3.7	2	74.3	6.4
2362 OTHER TERMINAL EQPT	3.5	-2	63.3	11.1
2411 POLE LINES	13.8	-140	80.3	11.6
2421 AERIAL CABLE-METALLIC	11.6	-40	64.3	6.5
2421 AERIAL CABLE-NONMETAL	15.1	-15	13.5	6.7
2422 UNDERGROUND CABLE-METALLIC	13.0	-22	51.9	5.4
2422 UNDERGROUND CABLE-NONMETAL	15.4	-10	22.5	5.7
2423 BURIED CABLE-METALLIC	12.1	-13	54.3	4.9
2423 BURIED CABLE-NONMETAL	14.7	-5	22.0	5.6
2424 SUBMARINE CABLE	14.6	-2	57.0	3.1
2426 INTRABLDG NTWK CABLE-METALLIC	12.0	-17	67.8	4.1
2426 INTRABLDG NTWK CABLE-NONMETAL	11.4	-5	7.7	8.5
2431 AERIAL WIRE @	--	-79	170.8	--
2441 CONDUIT SYSTEMS	34.0	-10	23.8	2.5

The figures in Columns B, C, and D are percentages of gross book cost.

@ The amortization amount for the Aerial Wire Account ordered in FCC 96-22, released January 26, 1996, is continued.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
U S WEST COMMUNICATIONS, INC. - IDAHO

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.1	11	64.4	7.9
2114 SPECIAL PURPOSE VEHICLES	12.3	0	28.0	5.9
2115 GARAGE WORK EQUIPMENT	13.4	0	-10.4	8.2
2116 OTHER WORK EQUIPMENT	11.7	0	36.6	5.4
2121 BUILDINGS	24.0	-1	32.6	2.9
2122 FURNITURE	6.3	0	-0.3	15.9
2123 OFFICE EQUIPMENT	4.8	0	39.0	12.7
2123 COMPANY COMM EQUIPMENT	4.4	0	61.2	8.8
2124 GEN PURPOSE COMPUTER	3.1	3	48.2	15.7
2211 ANALOG SWITCHING EQUIPMENT	1.9	0	71.3	15.1
2212 DIGITAL SWITCHING EQUIPMENT	8.9	0	32.2	7.6
2220 OPERATOR SYSTEMS	—	0	100.0	5.0
2231 RADIO SYSTEMS	7.2	-5	44.2	8.4
2232 CIRCUIT DDS	4.7	-1	34.9	14.1
2232 CIRCUIT DIGITAL	5.3	4	38.0	10.9
2232 CIRCUIT ANALOG	3.1	-4	66.6	12.1
2351 PUB TEL TERM EQUIPMENT	3.2	5	86.7	2.6
2362 OTHER TERM EQUIPMENT	4.7	1	50.7	10.3
2411 POLE LINES	10.3	-109	84.9	12.0
2421 AERIAL CABLE-METALLIC	9.9	-25	58.2	6.7
2421 AERIAL CABLE-NONMETAL	14.7	-25	8.9	7.9
2422 UG CABLE-METALLIC	12.5	-20	49.4	5.6
2422 UG CABLE-NONMETAL	17.4	-20	18.3	5.8
2423 BURIED CABLE-METALLIC	10.0	-4	40.2	6.4
2423 BURIED CABLE-NONMETAL	16.5	-4	20.9	5.0
2424 SUBMARINE CABLE-METALLIC	14.7	0	60.1	2.7
2424 SUBMARINE CABLE-NONMETAL	25.0	0	0.0	4.0
2426 INTRABLDG CABLE-METALLIC	8.4	-1	55.0	5.5
2426 INTRABLDG CABLE-NONMETAL	16.2	-1	27.6	4.5
2431 AERIAL WIRE	4.9	-123	117.7	21.5
2441 CONDUIT SYSTEMS	43.0	-4	23.6	1.9

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
U S WEST COMMUNICATIONS, INC. - MONTANA

Effective January 1, 1996

Rate Category Description	Average	Future	Accumulated	Remaining
	Remaining	Net		Depreciation
	Life	Salvage	(%)	Rate
	(years)	(%)	(%)	(%)
	A	B	C	D=(100%-B-C)/A
2112 MOTOR VEHICLES	3.3	14	68.6	5.3
2114 SPECIAL PURPOSE VEHICLES	10.9	4	45.5	4.6
2115 GARAGE WORK EQUIPMENT	10.7	0	-45.2	13.6
2116 OTHER WORK EQUIPMENT	12.7	1	13.5	6.7
2121 BUILDINGS	19.6	-10	37.0	3.7
2122 FURNITURE	8.5	0	6.5	11.0
2123 OFFICE EQUIPMENT	7.3	0	38.2	8.5
2123 COMPANY COMM EQUIPMENT	3.2	0	73.5	8.3
2124 GEN PURPOSE COMPUTER	2.9	0	77.6	7.7
2211 ANALOG SWITCHING EQUIPMENT	---	0	100.0	5.0
2212 DIGITAL SWITCHING EQUIPMENT	8.5	3	33.0	7.5
2220 OPERATOR SYSTEMS @	---	0	0.0	---
2231 RADIO SYSTEMS	7.1	0	29.9	9.9
2232 CIRCUIT DDS	4.1	4	40.1	13.6
2232 CIRCUIT DIGITAL	5.8	2	36.0	10.7
2232 CIRCUIT ANALOG	2.4	0	69.3	12.8
2351 PUBLIC TEL TERM EQUIPMENT	3.8	5	84.9	2.7
2362 OTHER TERM EQUIPMENT	9.0	0	48.4	5.7
2411 POLE LINES	7.3	-75	96.2	10.8
2421 AERIAL CABLE-METALLIC	10.4	-56	55.7	9.6
2421 AERIAL CABLE-NONMETAL	12.3	-56	21.5	10.9
2422 UG CABLE-METALLIC	11.6	-30	58.5	6.2
2422 UG CABLE-NONMETAL	17.3	-30	16.0	6.6
2423 BURIED CABLE-METALLIC	10.5	-5	37.4	6.4
2423 BURIED CABLE-NONMETAL	14.2	-5	17.7	6.1
2424 SUBMARINE CABLE-METALLIC	13.1	0	64.3	2.7
2424 SUBMARINE CABLE-NONMETAL	25.0	0	0.0	4.0
2426 INTRABLDG CABLE-METALLIC	13.0	-9	56.5	4.0
2426 INTRABLDG CABLE-NONMETAL	10.2	-9	28.4	7.9
2431 AERIAL WIRE	---	-31	131.0	5.0
2441 CONDUIT SYSTEMS	38.0	-10	31.6	2.1

The figures in Columns B, C, and D are percentages of gross book cost.

@ The net service value for the Operator Systems Account is to be amortized over a twelve month period ending December 31, 1996.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
U S WEST COMMUNICATIONS, INC. - OREGON

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	4.7	13	50.3	7.8
2114 SPECIAL PURPOSE VEHICLES	6.6	0	57.9	6.4
2115 GARAGE WORK EQUIPMENT	7.5	0	50.5	6.6
2116 OTHER WORK EQUIPMENT	9.0	5	51.0	4.9
2121 BUILDINGS	26.0	1	27.5	2.8
2122 FURNITURE	9.2	0	65.5	3.8
2123 OFFICE EQUIPMENT	9.2	0	14.2	9.3
2123 COMPANY COMM EQUIPMENT	4.0	0	45.8	13.6
2124 GEN PURPOSE COMPUTER	2.9	0	58.4	14.3
2211 ANALOG SWITCHING EQUIPMENT	1.6	0	69.0	19.4
2212 DIGITAL SWITCHING EQUIPMENT	8.5	2	26.1	8.5
2220 OPERATOR SYSTEMS	8.0	0	18.8	10.2
2231 RADIO SYSTEMS	7.9	3	49.5	6.0
2232 CIRCUIT DDS	6.0	0	20.9	13.2
2232 CIRCUIT DIGITAL	5.6	0	40.9	10.6
2232 CIRCUIT ANALOG	3.0	0	86.2	4.6
2351 PUBLIC TEL TERM EQUIPMENT	6.8	6	69.5	3.6
2362 OTHER TERM EQUIPMENT	5.1	0	38.3	12.1
2411 POLE LINES	12.1	-75	63.0	9.3
2421 AERIAL CABLE-METALLIC	10.1	-9	48.3	6.0
2421 AERIAL CABLE-NONMETAL	12.7	-9	5.1	8.2
2422 UG CABLE-METALLIC	12.9	-6	47.7	4.5
2422 UG CABLE-NONMETAL	15.4	-6	20.9	5.5
2423 BURIED CABLE-METALLIC	9.2	-9	46.3	6.8
2423 BURIED CABLE-NONMETAL	17.3	-2	25.8	4.4
2424 SUBMARINE CABLE-METALLIC	10.7	0	67.2	3.1
2424 SUBMARINE CABLE-NONMETAL	14.1	0	23.9	5.4
2426 INTRABLDG CABLE-METALLIC	9.3	-18	72.6	4.9
2426 INTRABLDG CABLE-NONMETAL	14.5	-18	27.4	6.2
2431 AERIAL WIRE	6.0	-34	101.7	5.4
2441 CONDUIT SYSTEMS	38.0	-4	25.9	2.1

The figures in Columns B, C, and D are percentages of gross book cost.

FEDERAL COMMUNICATIONS COMMISSION
Schedule of Annual Percentages of Depreciation for
U S WEST COMMUNICATIONS, INC. - WASHINGTON

Effective January 1, 1996

Rate Category Description	Average Remaining Life	Future Net Salvage	Accumulated Depreciation	Remaining Life Rate
	(years) A	(%) B	(%) C	(%) D=(100%-B-C)/A
2112 MOTOR VEHICLES	4.3	16	47.0	8.6
2114 SPECIAL PURPOSE VEHICLES	13.3	0	-36.7	10.3
2115 GARAGE WORK EQUIPMENT	9.2	0	20.8	8.6
2116 OTHER WORK EQUIPMENT	10.1	9	31.0	5.9
2121 BUILDINGS	32.0	4	17.8	2.4
2122 FURNITURE	10.9	0	1.9	9.0
2123 OFFICE EQUIPMENT	8.2	0	10.8	10.9
2123 COMPANY COMM EQUIPMENT	5.9	0	19.3	13.7
2124 GEN PURPOSE COMPUTER	2.8	5	60.1	12.5
2211 ANALOG SWITCHING EQUIPMENT	2.1	0	71.7	13.5
2212 DIGITAL SWITCHING EQUIPMENT	7.8	0	35.7	8.2
2220 OPERATOR SYSTEMS	7.3	0	27.4	9.9
2231 RADIO SYSTEMS	7.4	-3	44.6	7.9
2232 CIRCUIT DDS	5.6	-4	40.1	11.4
2232 CIRCUIT DIGITAL	5.6	1	46.9	9.3
2232 CIRCUIT ANALOG	1.6	-2	77.6	15.3
2351 PUBLIC TEL TERM EQUIPMENT	7.6	5	54.8	5.3
2362 OTHER TERM EQUIPMENT	4.9	0	54.1	9.4
2411 POLE LINES	13.0	-75	76.5	7.6
2421 AERIAL CABLE-METALLIC	9.7	-26	46.6	8.2
2421 AERIAL CABLE-NONMETAL	13.9	-26	22.1	7.5
2422 UG CABLE-METALLIC	12.3	-22	54.9	5.5
2422 UG CABLE-NONMETAL	16.1	-22	21.1	6.3
2423 BURIED CABLE-METALLIC	10.3	-7	40.0	6.5
2423 BURIED CABLE-NONMETAL	15.1	-7	25.5	5.4
2424 SUBMARINE CABLE-METALLIC	5.9	0	56.8	7.3
2424 SUBMARINE CABLE-NONMETAL	18.6	0	25.5	4.0
2426 INTRABLDG CABLE-METALLIC	9.9	-20	68.2	5.2
2426 INTRABLDG CABLE-NONMETAL	14.3	-20	5.2	8.0
2431 AERIAL WIRE	3.7	-124	150.6	19.8
2441 CONDUIT SYSTEMS	34.0	-10	25.1	2.5

The figures in Columns B, C, and D are percentages of gross book cost.

SEPARATE STATEMENT OF
COMMISSIONER RACHELLE B. CHONG

Re: In the Matter of the Prescription of Revised Percentages of Depreciation pursuant to the Communications Act of 1934, amended, for Alascom et. al - - Memorandum Opinion and Order.

A year ago as to our last Depreciation Rate Prescription Order, I observed that "[a]s competition builds and our system of price cap regulation for the LECs evolves, it may be a worthy public interest goal to end depreciation prescriptions at the FCC as we close out the twentieth century."¹ I write separately to acknowledge and applaud the Commission's announcement in today's decision that we will commence in the near future a comprehensive review of our depreciation rules.

Given the passage of the Telecommunications Act of 1996 and its mandate to develop a deregulatory, pro-competitive environment, I believe it is of critical importance that we undertake a long overdue examination of our depreciation rules. We must ensure that our current depreciation rules do not distort or otherwise adversely impact the new procompetitive world that we are crafting pursuant to the 1996 Act. I am pleased that the comprehensive review of our depreciation rules that we commit to today brings us one step closer to a goal of ending depreciation prescriptions, should we find that to be in the public interest.

¹

See Memorandum Opinion and Order, 10 FCC Rcd 8961, 9251 (1996)(Separate Statement of Commissioner Rachelle B. Chong at 2).