

**Interstate Rate of Return Summary**  
**January 1, 2002 - December 31, 2002**  
**Initial Reports Filed April 1, 2003**  
**Price-Cap Carriers**

Prepared by Katie Rangos, Industry Analysis Division, April 15, 2003.

	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.	27,554,413	1,648,092	1,107,321	5,746,027	19.27	NA	NA
2	Qwest Communications Inc. Including Malheur and El Paso <sup>1</sup>							
	<b>SBC Companies (FCC Generated)</b>	5,577,406	4,300,962	1,276,444	6,637,358	19.23	NA	NA
3	Southwestern Bell Telephone Company	1,719,910	1,383,926	335,984	2,166,191	15.51	NA	NA
4	Ameritech Operating Companies	1,926,544	1,461,912	464,632	2,222,024	20.91	NA	NA
5	Nevada Bell Telephone Company	67,082	52,487	14,595	91,411	15.97	NA	NA
6	Pacific Bell Telephone Company	1,522,249	1,138,005	384,244	1,765,851	21.76	NA	NA
7	Southern New England Telephone Company	341,621	264,632	76,989	391,881	19.64	NA	NA
	<b>Verizon Companies (FCC Generated)</b>	8,221,205	5,949,456	2,271,753	14,596,755	15.56		
8	Verizon Telephone Companies (Verizon FCC Tariff No. 1)	5,434,988	4,178,204	1,256,784	10,499,698	11.97	NA	NA
9	Verizon California Inc. (California - GTCA)	558,889	333,795	225,094	780,499	28.84	0	0
10	Verizon California Inc. (Arizona - COAZ)	3,172	2,957	216	3,365	6.41	0	0
11	Verizon California, Inc. (California - COCA)	67,992	44,618	23,374	82,778	28.24	0	0
12	Verizon California Inc. (Nevada - CONV)	10,607	6,557	4,050	16,829	24.07	0	0
13	Verizon Florida Inc. (Florida - GTFL)	341,566	222,809	118,757	539,414	22.02	0	0
14	Verizon Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	108,837	74,551	34,286	224,436	15.28	0	0
15	Verizon North Inc. (COPA + COQS = COPT)	19,800	12,056	7,744	19,678	39.35	0	0
16	Verizon North Inc. (Illinois - COIL)	25,723	15,490	10,232	18,946	54.01	0	0
17	Verizon North Inc. (Indiana - COIN)	37,672	21,648	16,024	34,833	46.00	0	0
18	Verizon North Inc. (Ohio - GTOH)	126,768	87,046	39,722	202,785	19.59	0	0
19	Verizon North Inc. (Pennsylvania - GTPA)	80,934	52,335	28,599	126,777	22.56	0	0
20	Verizon North Inc. (Wisconsin - GTWI)	47,760	37,479	10,281	104,842	9.81	0	0
21	Verizon North/Contel of South (Indiana GTIN + GLIN = GAIN)	130,253	82,108	48,145	191,852	25.10	0	0
22	Verizon North/Contel of South (Michigan GTMI + GLMI = GAMI)	104,711	73,417	31,294	188,006	16.65	0	0
23	Verizon North/Verizon South (GTIL + GLIL = GAIL)	117,259	81,299	35,960	166,496	21.60	0	0
24	Verizon Northwest Inc. (Idaho - GTID)	40,186	24,857	15,329	46,419	33.02	0	0
25	Verizon Northwest Inc. (Oregon - GTOR)	92,536	54,949	37,587	143,872	26.13	0	0
26	Verizon Northwest Inc. (Washington - COWA)	18,748	11,605	7,143	22,682	31.49	0	0
27	Verizon Northwest Inc. (Washington - GTWA)	150,030	76,648	73,383	253,037	29.00	0	0
28	Verizon Northwest, Inc. (West Coast CA - GNCA)	968	1,176	(208)	4,015	(5.18)	0	0
29	Verizon South Inc. (North Carolina - GTNC)	48,962	32,096	16,866	71,367	23.63	0	0
30	Verizon South Inc. (North Carolina - CONC)	22,818	15,887	6,931	32,777	21.15	0	0
31	Verizon South Inc. (South Carolina - GTSC + COSC = GTST)	41,785	27,229	14,556	49,000	29.71	0	0
32	Verizon South Inc. (South Carolina - COSC)	135,983	80,846	55,138	138,055	39.94	0	0
32	Verizon South Inc. (Virginia - COVA)	135,983	80,846	55,138	138,055	39.94	0	0
33	Verizon South Inc. (Virginia - GTVA)	7,186	6,306	880	12,158	7.23	0	0
34	Verizon Southwest Inc. (Texas - COTX)	17,591	14,235	3,355	27,687	12.12	0	0
35	Verizon Southwest Inc. (Texas - GTTX)	282,577	190,920	91,658	445,910	20.56	0	0

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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
36 Micronesian Telecommunications Corp. (Northern Mariana Is. - GTMC)	8,921	5,487	3,435	10,487	32.75	0	0
<b>Sprint</b>	1,102,070	745,332	356,737	1,222,358	29.18	NA	NA
37 Central Telephone Company - Nevada Division	77,705	46,157	31,548	132,571	23.80	NA	NA
38 Sprint - Florida, Inc.	291,569	184,917	106,652	362,634	29.41	NA	NA
39 Sprint Local Telephone Cos. - Eastern (NJ & PA)	89,893	61,593	28,300	74,916	37.78	NA	NA
40 Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	169,915	126,002	43,913	232,438	18.89	NA	NA
41 Sprint Local Telephone Cos. - North Carolina	188,126	131,800	56,325	153,735	36.64	NA	NA
42 Sprint Local Telephone Cos. - Northwest (OR & WA)	34,702	22,303	12,399	35,819	34.62	NA	NA
43 Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	112,663	72,888	39,775	117,823	33.76	NA	NA
44 United Telephone Co. of Indiana, Inc.	40,358	28,455	11,902	28,510	41.75	NA	NA
45 United Telephone Co. of Ohio	97,140	71,217	25,923	83,915	30.89	NA	NA
<b>All Other Companies (FCC Generated)</b>	890,609	653,346	237,264	1,215,731	19.52		
46 ALLTEL Nebraska, Inc.	38,680	32,668	6,012	49,270	12.20	0	0
47 Kentucky ALLTEL - Lexington, Inc.	87,301	60,412	26,889	96,797	27.78	0	0
48 Kentucky ALLTEL - London, Inc.	16,787	11,288	5,499	19,117	28.76	0	0
49 CenturyTel of Northern Alabama	9,772	7,345	2,427	32,379	14.99	0	0
50 CenturyTel of Southern Alabama	17,631	10,281	7,350	46,537	31.59	0	0
51 Cincinnati Bell Telephone Company	156,547	113,878	42,669	148,984	28.64	NA	NA
52 Citizens Telecommunications Cos. (Tariff 1)	180,865	132,589	48,276	250,550	19.27	NA	NA
53 Citizens Telecommunications Cos. (Tariff 2)	43,573	31,614	11,959	57,862	20.67	NA	NA
54 Citizens Telecommunications Cos. (Tariff 3)	2,117	1,713	404	4,519	8.94	(220)	NA
55 Citizens Telecommunications Cos. (Tariff 4)	48,098	36,692	11,406	48,927	23.31	NA	NA
56 Citizens Telecommunications Cos. (Tariff 5)	2,955	2,756	199	4,061	4.90	(648)	NA
57 Frontier Telephone of Rochester, Inc.	47,901	34,542	13,359	116,508	11.47	NA	NA
58 Frontier Tier 2 Concurring Carriers	51,804	36,268	15,536	46,604	33.34	NA	NA
59 Frontier Communications of Minnesota & Iowa	33,052	22,358	10,694	34,327	31.15	NA	NA
60 Iowa Telecommunications Services, Inc. (SAC 351167)	18,753	13,908	4,845	33,973	14.26		
61 Iowa Telecommunications Services, Inc. (SAC 351170 & 351178)	29,440	19,942	9,497	46,390	20.47		
62 VALOR New Mexico #1193	10,209	7,589	2,621	16,506	15.88	0	0
63 VALOR New Mexico #1164	10,203	7,627	2,576	15,312	16.82	263	
64 VALOR Oklahoma	21,352	17,277	4,076	43,928	9.28	8,563	0
65 VALOR Texas	63,569	52,599	10,970	103,180	10.63	0	0
<b>Total</b>	\$18,410,721	\$13,216,342	\$5,194,381				

<sup>1</sup> Qwest has an extension until mid-July to file its initial 2002 rate-of-return report.

Maximum Rate of Return	54.01 %
Minimum Rate of Return	(5.18)
Weighted Arithmetic Mean	17.77
Standard Deviation	6.02

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1 BellSouth Communications, Inc.	2,886,239	1,659,192	1,227,047	5,773,621	21.25	NA	NA
2 <b>Qwest Communications Inc. Including Malheur and El Paso <sup>1</sup></b>	3,090,263	2,208,271	881,992	3,984,982	22.13	0	0
<b>SBC Companies (FCC Generated)</b>	7,349,241	5,306,433	2,042,808	8,962,661	22.79		
3 Southwestern Bell Telephone Company	2,420,515	1,847,596	572,919	3,046,348	18.81	NA	NA
4 Ameritech Operating Companies	2,685,430	1,820,944	864,486	3,360,827	25.72	NA	NA
5 Nevada Bell Telephone Company	69,677	51,695	17,982	86,188	20.86	NA	NA
6 Pacific Bell Telephone Company	2,173,619	1,586,198	587,421	2,469,298	23.79	NA	NA
7 Southern New England Telephone Company	491,353	354,387	136,966	581,123	23.57	NA	NA
<b>Verizon Companies (FCC Generated)</b>	9,715,413	7,170,502	2,544,912	15,081,658	16.87		
8 Verizon Telephone Companies (Verizon FCC Tariff No. 1)	6,579,908	5,177,062	1,402,846	10,848,521	12.93	0	N/A
9 Verizon California Inc. (California - GTCA)	624,502	400,916	223,586	785,100	28.48	0	0
10 Verizon California Inc. (Arizona - COAZ)	2,738	2,221	517	3,899	13.25	0	0
11 Verizon California Inc. (California - COCA)	67,447	42,178	25,269	84,791	29.80	0	0
12 Verizon California Inc. (Nevada - CONV)	11,029	6,444	4,585	17,194	26.66	0	0
13 Verizon Florida Inc. (Florida - GTFL)	404,686	250,028	154,658	529,189	29.23	0	0
14 Verizon Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	121,484	83,823	37,661	225,281	16.72	0	0
15 GTE Midwest Inc. (Missouri - COMO + COCM + COEM = COMT)	44,513	31,324	13,188	64,860	20.33	0	0
16 GTE Midwest Inc. (Missouri - GTMO)	17,655	12,046	5,610	23,449	23.92	0	0
17 Verizon North Inc. (COPA + COQS = COPT)	19,711	11,503	8,208	20,671	39.71	0	0
18 Verizon North Inc. (Illinois - COIL)	24,592	14,600	9,992	18,616	53.67	0	0
19 Verizon North Inc. (Indiana - COIN)	37,906	21,134	16,772	36,027	46.55	0	0
20 Verizon North Inc. (Ohio - GTOH)	127,353	85,697	41,656	203,744	20.45	0	0
21 Verizon North Inc. (Pennsylvania - GTPA)	82,517	53,511	29,005	125,167	23.17	0	0
22 Verizon North Inc. (Wisconsin - GTWI)	54,339	39,068	15,271	107,868	14.16	0	0
23 Verizon North/Contel of South (Indiana GTIN + GLIN = GAIN)	145,289	86,362	58,927	179,519	32.82	0	0
24 Verizon North/Contel of South (Michigan GTMI + GLMI = GAMI)	107,272	73,812	33,460	191,340	17.49	0	0
25 Verizon North/Verizon South (GTIL + GLIL = GAIL)	109,858	70,008	39,850	168,355	23.67	0	0
26 Verizon Northwest Inc. (Idaho - GTID)	49,469	31,230	18,240	47,085	38.74	0	0
27 Verizon Northwest Inc. (Oregon - GTOR)	107,461	63,849	43,612	137,619	31.69	0	0
28 Verizon Northwest Inc. (Washington - COWA)	20,373	11,362	9,012	22,494	40.06	0	0
29 Verizon Northwest Inc. (Washington - GTWA)	181,206	99,460	81,746	240,202	34.03	0	0
30 Verizon Northwest, Inc. (West Coast CA - GNCA)	2,174	2,095	78	4,094	1.91	0	0
31 Verizon South Inc. (Alabama - GTAL)	40,473	29,898	10,575	44,031	24.02	0	0
32 Verizon South Inc. (Kentucky - COKY)	24,934	17,315	7,619	24,617	30.95	0	0
33 Verizon South Inc. (Kentucky - GTKY)	93,548	61,769	31,778	116,793	27.21	0	0
34 Verizon South Inc. (North Carolina - GTNC)	58,428	36,829	21,599	71,802	30.08	0	0
35 Verizon South Inc. (North Carolina - CONC)	23,382	15,833	7,548	34,045	22.17	0	0
36 Verizon South Inc. (South Carolina - GTSC + COSC = GTST)	44,984	27,956	17,028	52,494	32.44	0	0
37 Verizon South Inc. (Virginia - COVA)	140,870	81,609	59,261	145,624	40.69	0	0
38 Verizon South Inc. (Virginia - GTVA)	7,684	6,538	1,147	12,036	9.53	0	0
39 Verizon Southwest Inc. (Texas - COTX)	16,236	13,187	3,050	25,627	11.90	0	0
40 Verizon Southwest Inc. (Texas - GTTX)	282,698	177,905	104,794	430,442	24.35	0	0
41 Contel of the South dba Verizon South Systems (Alabama - COAL)	31,105	26,510	4,595	29,128	15.77	0	0
42 Micronesian Telecommunications Corp. (Northern Mariana Is. - GTMC)	7,589	5,420	2,169	9,934	21.83	0	0

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	<b>Sprint</b>	1,177,592	834,929	342,663	1,432,441	23.92	N/A	N/A
43	Central Telephone Company - Nevada Division	107,038	76,312	30,727	156,693	19.61	N/A	N/A
44	Sprint - Florida, Inc.	324,558	220,473	104,085	401,998	25.89	N/A	N/A
45	Sprint Local Telephone Cos. - Eastern (NJ & PA)	84,457	60,104	24,353	92,924	26.21	N/A	N/A
46	Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	171,089	128,414	42,675	256,558	16.63	N/A	N/A
47	Sprint Local Telephone Cos. - North Carolina	204,565	149,828	54,738	214,175	25.56	N/A	N/A
48	Sprint Local Telephone Cos. - Northwest (OR & WA)	34,628	22,323	12,305	39,005	31.55	N/A	N/A
49	Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	111,012	75,732	35,280	139,264	25.33	N/A	N/A
50	United Telephone Company of Indiana, Inc.	40,688	28,748	11,940	33,928	35.19	N/A	N/A
51	United Telephone Company of Ohio	99,556	72,995	26,561	97,896	27.13	N/A	N/A
	<b>Other Companies (FCC Generated)</b>	772,248	577,769	194,479	1,133,763	17.15		
52	ALLTEL Nebraska, Inc.	39,754	33,123	6,631	52,750	12.57	0	0
53	Cincinnati Bell Telephone Company <sup>2</sup>	158,063	109,780	48,283	160,435	30.09	N/A	N/A
54	Citizens Telecommunications Cos. (Tariff 1)	182,403	141,206	41,197	261,942	15.73	N/A	N/A
55	Citizens Telecommunications Cos. (Tariff 2)	48,226	36,176	12,050	69,668	17.30	N/A	N/A
56	Citizens Telecommunications Cos. (Tariff 3)	2,412	2,186	226	4,995	4.52	N/A	N/A
57	Citizens Telecommunications Cos. (Tariff 4)	51,115	40,329	10,786	82,477	13.08	N/A	N/A
58	Citizens Telecommunications Cos. (Tariff 5)	2,621	2,580	41	4,720	0.86	N/A	N/A
59	Frontier Telephone of Rochester, Inc.	60,173	43,240	16,933	137,421	12.32	N/A	N/A
60	Frontier Tier 2 Concurring Carriers	54,204	33,702	20,502	53,788	38.12	N/A	N/A
61	Frontier Communications of Minnesota & Iowa	31,539	21,664	9,875	39,120	25.24	N/A	N/A
62	Iowa Telecommunications Services, Inc. (SAC 351167) <sup>2</sup>	18,549	13,509	5,040	38,562	13.07		
63	Iowa Telecommunications Services, Inc. (SAC 351170 & 351178) <sup>2</sup>	29,863	20,922	8,941	48,464	18.45		
64	VALOR New Mexico #1193	9,703	8,016	1,687	14,736	11.45	0	0
65	VALOR New Mexico #1164	9,530	8,124	1,406	16,760	8.39	0	0
66	VALOR Oklahoma	20,513	15,726	4,787	41,076	11.65	0	0
67	VALOR Texas	53,580	47,486	6,094	106,849	5.70	2,641	0
	<b>Total</b>	<b>\$25,482,348</b>	<b>\$18,111,483</b>	<b>\$7,370,868</b>				

<sup>1</sup> Data is from the initial report. Qwest has an extension until mid-July to file its final 2001 rate-of-return report.

<sup>2</sup> Data is from the initial report. They had no revisions.

Maximum Rate of Return	53.67 %
Minimum Rate of Return	0.86
Weighted Arithmetic Mean	19.95
Standard Deviation	5.84

**Non-Price Cap Companies  
Rate of Return Summary  
January 1, 2001 - December 31, 2002  
Summary of Reports Filed April 1, 2003**

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Name of Company				Switched Traffic Sensitive			
	Interstate	Common Line	Special Access	End Office	Information	Local Transport	Total
National Exchange Carrier Association	12.70 %	12.40 %	14.52 %	-	-	-	12.62 %
1 ACS of Anchorage	20.05	12.42	16.95	45.35 %	(0.31) %	21.49 %	35.41
2 ALLTEL Alabama, Inc.	10.76	11.80	18.10	9.42		3.47	7.58
3 ALLTEL Arkansas, Inc.	12.95	11.80	12.53	8.99	(9,355.47)	20.81	16.12
4 ALLTEL Carolina, Inc.	8.82	11.80	(0.06)	10.31	(2,020.31)	4.57	8.24
5 ALLTEL Florida, Inc.	9.71	11.80	5.94	(4.46)		4.11	1.53
6 ALLTEL Georgia Properties	8.19	8.44	3.29	7.88	(5,981.88)	15.05	11.30
7 ALLTEL Kentucky, Inc.	5.25	11.80	(8.08)	12.46		2.53	9.72
8 ALLTEL Mississippi, Inc.	11.30	11.80	8.90	11.07		8.32	9.80
9 ALLTEL Missouri, Inc.	11.99	11.80	12.94	13.14		10.74	11.97
10 ALLTEL New York, Inc.	10.33	11.80	2.98	30.04	(12,202.60)	7.80	18.56
11 ALLTEL Oklahoma Properties	11.20	11.80	12.38	11.03		4.91	10.00
12 ALLTEL Pennsylvania, Inc.	10.42	11.80	7.45	12.21	(12,326.38)	8.12	9.73
13 ALLTEL South Carolina, Inc.	9.81	11.80	8.12	6.82		(0.05)	4.49
14 Sugar Land Telephone Co.	10.29	11.80	8.89	20.07	79.26	3.65	10.51
15 Texas ALLTEL, Inc.	11.04	11.80	4.56	12.91		14.87	13.41
16 Western Reserve Telephone Company	10.76	11.80	8.07	11.03	(6,091.24)	15.44	11.93
17 C-R Telephone Company	9.48	14.94	101.41	3.38		(21.80)	(10.76)
18 CenturyTel of Midwest-Michigan, Inc./CenturyTel of MI., Inc	15.73	11.25	24.58				27.74
19 CenturyTel of Ohio, Inc.	18.43	17.47	18.16				19.55
20 CenturyTel of Wisconsin, Inc.	19.24	11.25	25.02				20.11
21 Chillicothe Telephone Company, The	15.34	11.25	36.26	11.60		2.81	7.43
22 Coastal Utilities, Inc.	11.56	13.03	13.84	9.04		22.13	10.65
23 Concord Telephone Co.	16.51	11.78	44.49	14.69	181.82	14.67	14.90
24 El Paso Telephone Co.	17.75	9.82	88.57	12.06		14.01	12.20
25 Farmers Telephone Cooperative, Inc	11.48	11.78	14.97	7.07		10.08	8.86
26 Fort Bend Telephone Co. dba TXU Communications	12.38	12.65	15.54	13.01		4.70	11.01
27 Fort Mill Telephone Company	13.80	11.92	21.93	3.91		49.78	18.83
28 Gallatin River Communications, LLC	13.64	11.31	9.58	24.56		15.09	22.17
29 Gulf Telephone Company	13.31	11.39	15.73	11.68		17.13	15.16
30 Hargray Telephone Company	9.23	14.30	6.94	(0.03)		9.25	5.09
31 Home Telephone Company, Inc	9.63	11.77	14.97	(0.21)		6.17	0.91
32 Horry Telephone Cooperative, Inc	10.83	11.80	14.90	9.39		6.68	7.77
33 Illinois Consolidated Telephone Company	23.60	9.37	10.77	6.80		30.67	23.49
34 Lancaster Telephone Company	8.97	12.10	(1.64)	8.74		1.23	7.58
35 Moultrie Independent Telephone Company	(13.34)	13.35	(36.72)	(27.70)		71.70	(3.17)
36 Odin Telephone Exchange, Inc.	17.25		67.94	1.26		39.19	5.84
37 Puerto Rico Telephone Company	9.67	8.59	54.33	16.14	(52.54)	5.54	7.98
38 Rock Hill Telephone Company	10.20	12.02	5.42	13.17		0.09	9.37
39 Roseville Telephone Company	15.60	12.15	17.44	28.99		19.54	22.98
40 Taconic Telephone Corporation	13.65	14.15	17.52	11.31	(2,025.00)	17.47	12.00
41 Telephone Utilities Exchange Carrier Assoc	14.66	11.25	34.82				14.47
42 TXU Communications Telephone Company, Inc	12.12	12.77	12.94	8.07		6.22	6.01
43 Utelco, Inc.	11.20						
44 Virgin Islands Telephone Corporation	9.26	13.20	14.88	7.40	(397.26)	(2.93)	(0.17)
45 Warwick Valley Telephone Company	9.68	12.80	33.21	7.33		(10.17)	5.47
46 Winterhaven Telephone Company	12.74	11.06	31.38				10.02
47 Yates City Telephone Company	22.40	11.19	54.36	30.39		9.23	29.99

Maximum Rate of Return	23.60 %	17.47 %	101.41 %	45.35 %	181.82 %	71.70 %	35.41 %
Minimum Rate of Return	(13.34)	8.44	(36.72)	(27.70)	(12,326.38)	(21.80)	(10.76)
Weighted Arithmetic Mean	11.98	11.03	14.96	13.01	(396.53)	9.43	10.93
Standard Deviation	3.43	1.87	12.85	8.83	1469.29	7.12	6.38

**Interstate Rate of Return Summary \***  
**Years 1997 through 2002**  
**Price-Cap Companies Reporting FCC Form 492A**  
**(Final Reports for 1997 Through 2001 and Initial Report for 2002) <sup>1</sup>**

Prepared by Katie Rangos, Industry Analysis Division, April 15, 2003.

Reporting Entity	2002	2001	2000	1999	1998	1997
1 <b>BellSouth Telecommunications, Inc.</b>	19.27 %	21.25 %	22.83 %	20.99 %	20.80 %	17.91 %
2 <b>Qwest Corporation, Including Malheur and El Paso</b>	NA	22.13	19.93	19.06	16.56	15.41
<b>SBC Communications, Inc.</b>						
3 Southwestern Bell Telephone Company L.P.	15.51	18.81	15.17	10.22	9.91	10.32
4 Ameritech Operating Companies	20.91	25.72	30.24	28.93	22.59	18.22
5 Nevada Bell Telephone Company	15.97	20.86	21.55	19.26	16.02	19.47
6 Pacific Bell Telephone Company	21.76	23.79	19.20	21.01	16.50	11.98
7 Southern New England Telephone Company, The	19.64	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>	11.97	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)	28.84	28.48	25.87	22.01	17.19	17.68
10 Verizon California Inc. (California - COCA)	28.24	29.80	28.74	28.28	22.71	19.16
11 Verizon California Inc. (Arizona - COAZ)	6.41	13.25	10.90	15.57	13.80	14.17
12 Verizon California Inc. (Nevada - CONV)	24.07	26.66	28.82	20.57	24.01	31.44
13 Verizon Florida Inc. (Florida - GTFL)	22.02	29.23	21.90	18.93	14.58	19.14
14 Verizon Hawaii Inc. (Hawaii - GTHI)	15.28	16.72	17.87	17.62	15.64	10.55
15 Verizon North Inc. (COPA + COQS = COPT)	39.35	39.71	41.05	39.58	45.97	36.83
16 Verizon North Inc. (Illinois - COIL)	54.01	53.67	44.51	41.03	14.11	41.14
17 Verizon North Inc. (Indiana - COIN)	46.00	46.55	47.67	41.40	34.61	33.26
18 Verizon North Inc. (Ohio - GTOH)	19.59	20.45	21.88	21.70	21.83	24.37
19 Verizon North Inc. (Pennsylvania - GTPA)	22.56	23.17	21.95	21.41	14.67	20.62
20 Verizon North Inc. (Wisconsin - GTWI)	9.81	14.16	16.99	17.85	16.08	18.75
21 Verizon North/Contel Systems of South (GTIN + GLIN = GAIN)	25.10	32.82	33.00	32.47	29.06	23.61
22 Verizon North/Contel Systems of South (GTMI + GLMI = GAMI)	16.65	17.49	16.45	15.75	13.17	15.33
23 Verizon North/GTE South (GTIL + GLIL = GAIL)	21.60	23.67	23.90	22.35	23.07	21.59
24 Verizon Northwest Inc. (Oregon - GTOR)	26.13	31.69	30.95	31.56	27.03	28.23
25 Verizon Northwest Inc. (West Coast CA - GNCA)	(5.18)	1.91	(8.35)	(9.93)	(6.85)	(25.83)
26 Verizon Northwest Inc. (Washington - COWA)	31.49	40.06	39.49	39.17	30.41	31.85
27 Verizon Northwest Inc. (Washington - GTWA)	29.00	34.03	33.26	32.91	27.33	24.41
28 Verizon Northwest Inc. (Idaho - GTID)	33.02	38.74	34.17	32.24	30.89	30.52
29 Verizon South Inc. (North Carolina - GTNC)	23.63	30.08	26.44	24.85	27.92	24.48
30 Verizon South Inc. (N. Carolina - CONC)	21.15	22.17	17.75	19.87	12.78	16.63
31 Verizon South Inc. (GTSC + COSC = GTST)	29.71	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. (S. Carolina - COSC)					26.14	25.09
32 Verizon South Inc. (Virginia - COVA)	39.94	40.69	40.85	34.74	35.19	33.65
33 Verizon South Inc. (Virginia - GTVA)	7.23	9.53	6.62	9.94	20.56	23.76
34 GTE Southwest Inc. (Texas - COTX)	12.12	11.90	12.17	17.13	14.96	18.10
35 GTE Southwest Inc. (Texas - GTTX)	20.56	24.35	21.65	21.42	16.43	14.81
36 Micronesian Telecomms. Corp. (N. Mariana Islands - GTMC)	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 2002**  
**Price-Cap Companies Reporting FCC Form 492A - Continued**  
**(Final Reports for 1997 Through 2001 and Initial Report for 2002) <sup>1</sup>**

Prepared by Katie Rangos, Industry Analysis Division, April 15, 2003.

Reporting Entity	2002	2001	2000	1999	1998	1997
<b>Sprint</b>						
37 Central Telephone - Nevada	23.80 %	19.61 %	19.29 %	21.15 %	17.79 %	17.07 %
38 Sprint - Florida	29.41	25.89	27.38	27.17	26.14	20.05
39 Sprint Local Telephone Cos. - Eastern (NJ & PA)	37.78	26.21	25.62	20.87	14.59	17.36
40 Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	18.89	16.63	18.88	17.69	19.66	19.97
41 Sprint Local Telephone Cos. - North Carolina	36.64	25.56	22.23	15.92	12.55	16.54
42 Sprint Local Telephone Cos. - Northwest (OR & WA)	34.62	31.55	32.77	31.86	32.54	30.59
43 Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	33.76	25.33	23.32	17.50	15.87	17.62
44 United Telephone Co. of Indiana, Inc.	41.75	35.19	38.21	28.98	24.19	26.13
45 United Telephone Co. of Ohio	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. (ALLTEL)	12.20	12.57	12.99	19.27	15.02	12.27
47 Kentucky ALLTEL - Lexington, Inc	27.78					
48 Kentucky ALLTEL - London, Inc	28.76					
49 CenturyTel of Northern Alabama	14.99					
50 CenturyTel of Southern Alabama	31.59					
51 Cincinnati Bell Telephone Company	28.64	30.09	28.95	25.45	17.81	20.04
52 Citizens Telecommunications Cos. (Tariff 1)	19.27	15.73	19.68	16.71	17.87	9.77
53 Citizens Telecommunications Cos. (Tariff 2)	20.67	17.30	24.05	15.74	14.29	13.25
54 Citizens Telecommunications Cos. (Tariff 3)	8.94	4.52	16.12	15.56		
55 Citizens Telecommunications Cos. (Tariff 4)	23.31	13.08	30.94			
56 Citizens Telecommunications Cos. (Tariff 5)	4.90	0.86	(11.23)			
57 Frontier Telephone of Rochester, Inc.	11.47	12.32	18.91	16.77	18.37	13.19
58 Frontier Tier 2 Concurring Companies	33.34	38.12	38.95	43.42	45.45	31.93
59 Frontier Communications of Minnesota & Iowa	31.15	25.24	33.16	35.40	29.28	28.26
60 Iowa Telecom Service Group (SAC 351167)	14.26	13.07				
61 Iowa Telecom Systems Service Group (SAC 351170 & 351178)	20.47	18.45				
62 Valor New Mexico #1164	15.88	11.45	20.67			
63 Valor New Mexico #1193	16.82	8.39	13.35			
64 Valor Oklahoma	9.28	11.65	11.22			
65 Valor Texas	10.63	5.70	5.24			
Maximum Rate of Return	54.01 %	53.67 %	47.67 %	43.42 %	47.21 %	48.69 %
Minimum Rate of Return	(5.18)	0.86	(11.23)	(9.93)	(6.85)	(25.83)
Weighted Arithmetic Mean	17.77	19.95	18.04	18.50	16.52	15.60
Standard Deviation	6.02	5.84	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).