

Verizon - West Telephone Companies

Calculation of USF Per Line Charge

			<u>1Q 2001 FACTOR WITHOUT RESELLER</u>	
1	ANNUALIZED USF CONTRIBUTION	WP USF-2, Column C Line 7 (Note 1)	\$	72,977,442
2	MONTHLY EUCL DEMAND (6/30/2000)	WP USF-5, Column B Line 3 (Note 2)		15,639,160
3	MONTHLY USF PER LINE	Ln 1 / Ln 2 / 12 (Months)	\$	0.39

Notes:

- 1 Excludes End User IX
- 2 Excludes Lifeline. ISDN PRI, Centranet lines, and DCS/Flexgrow are in "equivalencies".

Verizon - West Telephone Companies

WP USF-2

Calculation of USF Obligation Excluding Reseller Revenues

			A	B	C
			(Note 1,3)	(Note 2)	
			WITH SPECIAL	SPECIAL	WITHOUT SPECIAL
			Schools/ Libraries/Rural High Cost/ Low Income	Schools/ Libraries/Rural High Cost/ Low Income	Schools/ Libraries/Rural High Cost/ Low Income
			Interstate and International Retail Revenues	Interstate and International Retail Revenues	Interstate and International Retail Revenues
LN	SOURCE		JAN-JUN 00	JAN-JUN 00	JAN-JUN 00
1a	Micronesia Telecommunications Corp.	FCC Form 499-S	744,865	0	744,865
1b	Verizon Hawaii Inc.	FCC Form 499-S	25,413,453	1,638,429	23,775,024
1c	GTE Midwest Inc. d/b/a Verizon Midwest Inc.	FCC Form 499-S	12,020,835	1,094,392	10,926,443
1d	Verizon Florida Inc.	FCC Form 499-S	87,046,109	7,161,578	79,884,531
1e	Verizon California Inc.	FCC Form 499-S	149,215,382	5,883,027	143,332,355
1f	Contel of the South, Inc. d/b/a Verizon South Systems	FCC Form 499-S	6,363,332	243,612	6,119,720
1g	GTE Southwest Incorporated. d/b/a Verizon Southwest Inc.	FCC Form 499-S	65,708,628	6,215,082	59,493,546
1h	Verizon South Inc.	FCC Form 499-S	67,161,257	3,922,954	63,238,303
1i	Verizon West Coast Incorporated.	FCC Form 499-S	303,622	64,601	239,021
1j	Verizon Northwest Inc.	FCC Form 499-S	58,539,285	7,778,499	50,760,786
1k	Verizon North Inc.	FCC Form 499-S	139,327,038	4,461,696	134,865,342
1	TOTAL REVENUES	Sum Ln 1a through 1i	611,843,806	38,463,870	573,379,936
2	IX END USER REVENUES	Company Records	27,362,294		27,362,294
3	REVENUES MINUS IX	Ln1 - Ln2	584,481,512		546,017,642
4	TOTAL REVENUES QUARTER	Ln3 / 2	292,240,756		273,008,821
5	1ST QUARTERS CONTRIBUTION FACTOR	FCC Public Notice, FCC DA 00-2764, 12/8/2000	0.066827		0.066827
6	QUARTERLY CONTRIBUTION EFFECTIVE 1/1/01	Ln 4 * Ln 5	19,529,573		18,244,360
7	ANNUALIZED USF CONTRIBUTION AMOUNT	Ln 6 * 4	78,118,292		72,977,442

NOTES:

- 1) Jan - Jun Interstate amounts are from Form 499-S, Ln 116, Col B less repositioned property revenues
- 2) Jan - Jun Special amounts are unfilled and are derived from Company records

3) Repositioned Properties SOLD -
(Summing the Interstate amounts with the Amounts in Column A totals the Form 499-S Amounts)
Alaska, Arkansas and Minnesota were complete sales and are therefore not reflected above

Interstate

Special

Micronesia Telecommunications Corp.	0	0
Verizon Hawaii Inc.	0	0
GTE Midwest Inc. d/b/a Verizon Midwest Inc.	16098438	2023656
Verizon Florida Inc.	0	0
Verizon California Inc.	0	0
GTE Alaska Inc. d/b/a/ Verizon Alaska Inc.	1374962	650917
GTE Arkansas Inc. d/b/a Verizon Arkansas Inc.	4355991	353098
Contel of Minnesota, Inc. d/b/a Verizon Minnesota	4436238	703786
Contel of the South, Inc. d/b/a Verizon South Systems	0	0
GTE Southwest Incorporated. d/b/a Verizon Southwest Inc.	21715895	1927522
Verizon South Inc.	132581	2275
Verizon West Coast Incorporated.	0	0
Verizon Northwest Inc.	0	0
Verizon North Inc.	6716697	169475
Total - Repositioned Properties SOLD	54830802	5830729

Verizon - West Telephone Companies
End User Common Line Quantities (EUCL's)

	TOTAL EUCLs <u>@ 6/30/00</u>	
Residence Lifeline	661,259	
Residence	11,765,860	
Business	3,260,991	
Centranet	1,333,995	
PRI Systems	14,302	
BRI Systems	79,569	
DCS voice/Flexgrow Systems	<u>13,042</u>	
Total Verizon - West	<u>17,129,018</u>	
TOTAL EUCL DEMAND VERIZON WEST (6/30/00)		17,129,018
LESS LIFELINE (6/30/00)		<u>661,259</u>
TOTAL EUCL DEMAND EXCLUDING LIFELINE (6/30/00)		<u>16,467,759</u>

Verizon - West Telephone Companies

Adjusted EUCL Demand for ISDN PRI and Centrex Equivalents

RATE ELEMENT DESCRIPTION	A	FACTOR	B
	UNADJUSTED EUCL DEMAND <u>AS Of 6/30/2000</u>		TOTAL EUCL DEMAND PRI@5, CENTREX AND DCS/FLEXGROW <u>EQUIVALENCY</u>
Residence Lifeline	661,259	1	661,259
Residence	11,765,860	1	11,765,860
Business	3,260,991	1	3,260,991
Centranet	1,333,995	0.11111111	148,222
PRI Systems	14,302	5	71,510
BRI Systems	79,569	1	79,569
DCS voice/Flexgrow	<u>13,042</u>	24	<u>313,008</u>
1 Total Monthly Demand	17,129,018		16,300,419
2 Less Lifeline	<u>661,259</u>		<u>661,259</u>
3 Monthly Demand Excluding Lifeline	<u>16,467,759</u>		<u>15,639,160</u>

Verizon - West Telephone Companies

Rate Development for USF Switched Access Lines

	A	B	C
	UNADJUSTED <u>EUCL DEMAND</u>	PROPOSED MONTHLY RATE <u>PER LINE</u>	YEARLY PROPOSED <u>REVENUE</u>
Residence Lifeline	661,259	N/A	\$ -
Residence	11,765,860	\$ 0.39	\$ 55,064,225
Business	3,260,991	\$ 0.39	\$ 15,261,438
Centranet	1,333,995	\$ 0.04	\$ 640,318
PRI Systems	14,302	\$ 1.95	\$ 334,667
BRI Systems	79,569	\$ 0.39	\$ 372,383
DCS voice/Flexgrow	<u>13,042</u>	\$ 9.36	<u>\$ 1,464,877</u>
Total Switched	<u>17,129,018</u>		<u>\$ 73,137,907</u>

Verizon - West Telephone Companies
Rate Development for Federal End User
Special Access USF Charge

1	Verizon Special Access End User Revenues	From WP USF-2 Column B Line 1	\$ 38,463,870
2	VADI Revenues to Separate Data Affiliate	(Note 1)	\$ 2,273,826
3	Verizon Special Access End User Revenues Less VADI Revenues	Ln 1 - Ln 2	\$ 36,190,044
4	Verizon Interstate Special Access End User (FCC 1st Quarter 2001 Contribution Factor)		0.066827
5	Expected Verizon West Special Access USF Recovery for Quarter	Ln 3 * Ln 4 / 2	\$ 1,209,236
6	Expected Verizon West Special Access USF Annual Recovery	Ln 5 * 4	\$ 4,836,944

Note:

- 1 End User Form 499 revenue will be used to transfer USF obligation to VADI