

## Verizon - East Telephone Companies

### Calculation of USF Per Line Charge

			<u>2Q 2001 USF Factor</u>
1	Annualized USF Contribution	WP USF-2, Column C Line 7 (Note 1)	\$ 177,611,888
2	Monthly EUCL Demand	WP USF-5, Column B Line 3 (Note 2)	32,570,199
3	Monthly USF Per Line	Ln 1 / Ln 2 / 12 (Months)	<b>\$ 0.45</b>

Notes:

- 1 Excludes End User IX
- 2 Excludes Lifeline. ISDN PRI and Centrex lines are in "equivalencies" similar to PICCs

## Verizon - East Telephone Companies

### Calculation of USF Obligation Excluding Reseller Revenues

			A	B	C
			(Note 1)	(Note 1)	
			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
<u>LN</u>	<u>Revenues</u>	<u>SOURCE</u>	<u>JAN-JUN 00</u>	<u>JAN-JUN 00</u>	<u>JAN-JUN 00</u>
1a	DC	FCC Form 499-S	44,567,692	20,265,780	24,301,912
1b	Maryland	FCC Form 499-S	151,916,010	26,565,229	125,350,781
1c	Virginia	FCC Form 499-S	161,736,716	41,941,290	119,795,426
1d	West Virginia	FCC Form 499-S	31,931,053	5,079,610	26,851,443
1e	New Jersey	FCC Form 499-S	272,094,816	66,317,081	205,777,735
1f	Pennsylvania	FCC Form 499-S	240,049,680	46,861,128	193,188,552
1g	Delaware (Revised 3/14/00)	FCC Form 499-S	28,603,901	6,606,407	21,997,494
	South Subtotal		930,899,868	213,636,525	717,263,343
1h	New York	FCC Form 499-S	500,949,715	128,021,635	372,928,080
1i	New England	FCC Form 499-S	285,759,301	59,753,777	226,005,524
	North Subtotal		786,709,016	187,775,412	598,933,604
1	Total Revenues	Sum Ln 1a through 1i	1,717,608,884	401,411,937	1,316,196,947
2	IX End User Revenues	Company Records			25,844,245
3	Revenues Less IX	Ln1 - Ln2			1,290,352,702
4	Total Revenues Quarter	Ln3 / 2			645,176,351
5	1st Qtr. Contribution Factor	FCC DA 01-614, 3/9/2001			0.068823
6	Quarterly contribution 1/01/01	Ln 4 * Ln 5			44,402,972
7	Annualized USF Contribution	Ln 6 * 4			177,611,888

NOTES:

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

# Verizon - East Telephone Companies

WP USF-3

## End User Common Line Quantities (EUCL's)

Transmittal Number 1370

	TOTAL EUCLs @ 6/30/00	Adjustment Factor Line Erosion as of 12/31/00	Adjusted TOTAL EUCLs @ 12/31/00
<b>SOUTH</b>			
Res Lifelines	103,555	99.30%	102,830
Residence	14,249,011	99.30%	14,149,268
Business	3,609,442	98.69%	3,562,158
Centrex	3,149,475	98.69%	3,108,217
ISDN PRI Systems	40,784	98.69%	40,250
ISDN BRI Systems	<u>339,570</u>	98.69%	<u>335,122</u>
Total South	21,491,837		21,297,845
 <b>NORTH</b>			
Res Lifelines	855,446	95.51%	817,036
Residence	10,436,501	95.51%	9,967,902
Business	3,421,193	97.81%	3,346,269
Centrex	1,607,627	97.81%	1,572,420
ISDN PRI Systems	19,736	97.81%	19,304
ISDN BRI systems	<u>218,384</u>	97.81%	<u>213,601</u>
Total North	16,558,887		15,936,532
 TOTAL EUCL DEMAND VERIZON EAST (12/31/00)	38,050,724		37,234,377
 LESS LIFELINE	<u>959,001</u>	<u>95.92%</u>	<u>919,866</u>
<b>TOTAL EUCL DEMAND EXCLUDING LIFELINE (12/31/00)</b>	<b>37,091,723</b>		<b>36,314,511</b>

## Verizon - East Telephone Companies

Transmittal Number 1370

## Conversion of Centrex EUCL Lines Spread by PICC Percentage

SOUTH CENTREX	CENTREX EUCLs	
	PICC %	@ 12/31/00
DC - Centrex (>= 9 lines)	10.0635%	312,795
MD - Centrex (>= 9 lines)	12.0238%	373,727
VA - Centrex (>= 9 lines)	10.0999%	313,927
WV - Centrex (>= 9 lines)	1.8595%	57,798
DE - Centrex (>= 9 lines)	2.5461%	79,138
NJ - Centrex (>= 9 lines)	13.7391%	427,042
PA - Centrex (>= 9 lines)	20.5849%	639,823
DC - Centrex (8 lines)	0.1199%	3,727
MD - Centrex (8 lines)	0.5064%	15,741
VA - Centrex (8 lines)	0.6415%	19,939
WV - Centrex (8 lines)	0.1095%	3,403
DE - Centrex (8 lines)	0.0752%	2,336
NJ - Centrex (8 lines)	0.2164%	6,727
PA - Centrex (8 lines)	0.6080%	18,899
DC - Centrex (7 lines)	0.1226%	3,811
MD - Centrex (7 lines)	0.5211%	16,198
VA - Centrex (7 lines)	0.7211%	22,412
WV - Centrex (7 lines)	0.1385%	4,305
DE - Centrex (7 lines)	0.0771%	2,397
NJ - Centrex (7 lines)	0.2381%	7,402
PA - Centrex (7 lines)	0.6936%	21,557
DC - Centrex (6 lines)	0.1486%	4,619
MD - Centrex (6 lines)	0.7915%	24,603
VA - Centrex (6 lines)	1.0090%	31,362
WV - Centrex (6 lines)	0.1910%	5,938
DE - Centrex (6 lines)	0.1008%	3,132
NJ - Centrex (6 lines)	0.3330%	10,351
PA - Centrex (6 lines)	0.8887%	27,624
DC - Centrex (5 lines)	0.1576%	4,900
MD - Centrex (5 lines)	0.8551%	26,579
VA - Centrex (5 lines)	1.0386%	32,282
WV - Centrex (5 lines)	0.2275%	7,073
DE - Centrex (5 lines)	0.1086%	3,377
NJ - Centrex (5 lines)	0.4003%	12,443
PA - Centrex (5 lines)	1.0104%	31,407
DC - Centrex (4 lines)	0.2052%	6,377
MD - Centrex (4 lines)	1.0721%	33,322
VA - Centrex (4 lines)	1.3631%	42,367
WV - Centrex (4 lines)	0.3073%	9,552
DE - Centrex (4 lines)	0.1171%	3,640
NJ - Centrex (4 lines)	0.5121%	15,916
PA - Centrex (4 lines)	1.2220%	37,982
DC - Centrex (3 lines)	0.1955%	6,076
MD - Centrex (3 lines)	1.2462%	38,735
VA - Centrex (3 lines)	1.5364%	47,755
WV - Centrex (3 lines)	0.3560%	11,064
DE - Centrex (3 lines)	0.1330%	4,133
NJ - Centrex (3 lines)	0.6660%	20,701
PA - Centrex (3 lines)	1.3959%	43,387
DC - Centrex (2 lines)	0.2038%	6,334
MD - Centrex (2 lines)	1.6058%	49,911
VA - Centrex (2 lines)	1.7871%	55,547
WV - Centrex (2 lines)	0.3645%	11,330
DE - Centrex (2 lines)	0.1330%	4,134
NJ - Centrex (2 lines)	0.8396%	26,098
PA - Centrex (2 lines)	1.5175%	47,167
DC - Centrex (1 line)	0.0120%	373
MD - Centrex (1 line)	0.0253%	786
VA - Centrex (1 line)	0.0118%	368
WV - Centrex (1 line)	0.0046%	142
DE - Centrex (1 line)	0.0029%	89
NJ - Centrex (1 line)	0.1100%	3,418
PA - Centrex (1 line)	<u>0.09%</u>	<u>2719</u>
	100.00%	
TOTAL CENTREX (SOUTH) BY STATE		3,108,217
Centrex (>= 9 lines)		2,204,250
Centrex (8 lines)		70,772
Centrex (7 lines)		78,082
Centrex (6 lines)		107,629
Centrex (5 lines)		118,061
Centrex (4 lines)		149,156
Centrex (3 lines)		171,851
Centrex (2 lines)		200,521
Centrex (1 line)		<u>7,895</u>
TOTAL CENTREX (SOUTH) BY LINE SIZE		3,108,217

# Verizon - East Telephone Companies

WP USF4 (Continued)

Transmittal Number 1370

## Conversion of Centrex EUCL Lines Spread by PICC Percentage

NORTH CENTREX	PICC %	CENTREX EUCLs @ 12/31/00
CENTREX PICC (>=9 LINES) - ME	2.5242%	39,691
CENTREX PICC (>=9 LINES) - MA	19.7801%	311,026
CENTREX PICC (>=9 LINES) - NH	2.9872%	46,972
CENTREX PICC (>=9 LINES) - RI	3.1743%	49,914
CENTREX PICC (>=9 LINES) - VT	1.8997%	29,871
CENTREX PICC (>=9 LINES) - NY	61.0818%	960,463
CENTREX PICC (1 LINE) - ME	0.0020%	31
CENTREX PICC (1 LINE) - MA	0.0159%	250
CENTREX PICC (1 LINE) - NH	0.0009%	13
CENTREX PICC (1 LINE) - RI	0.0013%	21
CENTREX PICC (1 LINE) - VT	0.0012%	18
CENTREX PICC (1 LINE) - NY	0.2703%	4,251
CENTREX PICC (2 LINES) - ME	0.0023%	36
CENTREX PICC (2 LINES) - MA	0.0196%	309
CENTREX PICC (2 LINES) - NH	0.0007%	12
CENTREX PICC (2 LINES) - RI	0.0029%	46
CENTREX PICC (2 LINES) - VT	0.0059%	92
CENTREX PICC (2 LINES) - NY	0.1504%	2,365
CENTREX PICC (3 LINES) - ME	0.0089%	141
CENTREX PICC (3 LINES) - MA	0.0190%	299
CENTREX PICC (3 LINES) - NH	0.0014%	22
CENTREX PICC (3 LINES) - RI	0.0043%	68
CENTREX PICC (3 LINES) - VT	0.0123%	193
CENTREX PICC (3 LINES) - NY	0.2252%	3,541
CENTREX PICC (4 LINES) - ME	0.0510%	802
CENTREX PICC (4 LINES) - MA	0.2341%	3,682
CENTREX PICC (4 LINES) - NH	0.0035%	55
CENTREX PICC (4 LINES) - RI	0.0800%	1,257
CENTREX PICC (4 LINES) - VT	0.0218%	343
CENTREX PICC (4 LINES) - NY	1.1354%	17,853
CENTREX PICC (5 LINES) - ME	0.0592%	932
CENTREX PICC (5 LINES) - MA	0.2117%	3,329
CENTREX PICC (5 LINES) - NH	0.0068%	108
CENTREX PICC (5 LINES) - RI	0.0762%	1,198
CENTREX PICC (5 LINES) - VT	0.0189%	298
CENTREX PICC (5 LINES) - NY	1.1054%	17,382
CENTREX PICC (6 LINES) - ME	0.1612%	2,535
CENTREX PICC (6 LINES) - MA	0.2514%	3,953
CENTREX PICC (6 LINES) - NH	0.0283%	444
CENTREX PICC (6 LINES) - RI	0.0808%	1,271
CENTREX PICC (6 LINES) - VT	0.3193%	5,020
CENTREX PICC (6 LINES) - NY	0.9929%	15,613
CENTREX PICC (7 LINES) - ME	0.1099%	1,728
CENTREX PICC (7 LINES) - MA	0.2471%	3,885
CENTREX PICC (7 LINES) - NH	0.0174%	274
CENTREX PICC (7 LINES) - RI	0.0793%	1,246
CENTREX PICC (7 LINES) - VT	0.1123%	1,766
CENTREX PICC (7 LINES) - NY	0.9081%	14,280
CENTREX PICC (8 LINES) - ME	0.1056%	1,660
CENTREX PICC (8 LINES) - MA	0.2640%	4,151
CENTREX PICC (8 LINES) - NH	0.0274%	431
CENTREX PICC (8 LINES) - RI	0.0793%	1,248
CENTREX PICC (8 LINES) - VT	0.1140%	1,793
CENTREX PICC (8 LINES) - NY	<u>0.91%</u>	<u>14,241</u>
	100.00%	
TOTAL CENTREX (NORTH) BY LINE SIZE		1,572,423
NORTH		
Centrex (>= 9 lines)		1,437,937
Centrex (8 lines)		23,524
Centrex (7 lines)		23,179
Centrex (6 lines)		28,836
Centrex (5 lines)		23,247
Centrex (4 lines)		23,992
Centrex (3 lines)		4,264
Centrex (2 lines)		2,860
Centrex (1 line)		<u>4,584</u>
TOTAL CENTREX (NORTH) BY LINE SIZE		1,572,423

## Verizon - East Telephone Companies

### Adjusted EUCL Demand for ISDN PRI and Centrex Equivalents

RATE ELEMENT DESCRIPTION	A	B
	UNADJUSTED EUCL DEMAND AS of 12/31/2000	TOTAL EUCL DEMAND PRI@5 AND CENTREX EQUIVALENCY
<b>SOUTH</b>		
Res Lifeline	102,830	102,830
Res Lines (less LL)	14,149,268	14,149,268
Business Lines	3,562,158	3,562,158
ISDN PRI Systems	40,250	201,250
ISDN BRI Systems	335,122	335,122
Centrex>=9 Lines	2,204,250	244,917
Centrex 8 Lines	70,772	8,847
Centrex 7 Lines	78,082	11,155
Centrex 6 Lines	107,629	17,938
Centrex 5 Lines	118,061	23,612
Centrex 4 Lines	149,156	37,289
Centrex 3 Lines	171,851	57,284
Centrex 2 Lines	200,521	100,261
Centrex 1 Lines	7,895	7,895
<b>NORTH</b>		
Res Lifeline	817,036	817,036
Res Lines (less LL)	9,967,902	9,967,902
Business Lines	3,346,269	3,346,269
ISDN PRI Systems	19,304	96,520
ISDN BRI Systems	213,601	213,601
Centrex>=9 Lines	1,437,937	159,771
Centrex 8 Lines	23,524	2,941
Centrex 7 Lines	23,179	3,311
Centrex 6 Lines	28,836	4,806
Centrex 5 Lines	23,247	4,649
Centrex 4 Lines	23,992	5,998
Centrex 3 Lines	4,264	1,421
Centrex 2 Lines	2,860	1,430
Centrex 1 Lines	<u>4,584</u>	<u>4,584</u>
1 Total Monthly Demand	37,234,380	33,490,065
2 Less Lifeline	<u>919,866</u>	<u>919,866</u>
3 Monthly Demand Excluding Lifeline	36,314,514	32,570,199

# Verizon - East Telephone Companies

WP USF-6

Transmittal Number 1370

## Rate Development for USF Switched Access Lines

	UNADJUSTED EUCL DEMAND	PROPOSED RATE PER LINE	YEARLY PROPOSED REVENUE
<b>SOUTH</b>			
Residential Lifeline	102,830	N/A	\$ -
Residence Lines	14,149,268	\$ 0.45	\$ 76,406,047
Business Lines	3,562,158	\$ 0.45	\$ 19,235,653
ISDN PRI Systems	40,250	\$ 2.25	\$ 1,086,750
ISDN BRI Systems	335,122	\$ 0.45	\$ 1,809,659
Centrex>=9 Lines	2,204,250	\$ 0.05	\$ 1,322,550
Centrex 8 Lines	70,772	\$ 0.06	\$ 50,956
Centrex 7 Lines	78,082	\$ 0.06	\$ 56,219
Centrex 6 Lines	107,629	\$ 0.08	\$ 103,324
Centrex 5 Lines	118,061	\$ 0.09	\$ 127,506
Centrex 4 Lines	149,156	\$ 0.11	\$ 196,886
Centrex 3 Lines	171,851	\$ 0.15	\$ 309,332
Centrex 2 Lines	200,521	\$ 0.23	\$ 553,438
Centrex 1 Lines	7,895	\$ 0.45	\$ 42,633
<b>NORTH</b>			
Residential Lifeline	817,036	N/A	\$ -
Residence Lines	9,967,902	\$ 0.45	\$ 53,826,671
Business Lines	3,346,269	\$ 0.45	\$ 18,069,853
ISDN PRI Systems	19,304	\$ 2.25	\$ 521,208
ISDN BRI Systems	213,601	\$ 0.45	\$ 1,153,445
Centrex>=9 Lines	1,437,937	\$ 0.05	\$ 862,762
Centrex 8 Lines	23,524	\$ 0.06	\$ 16,937
Centrex 7 Lines	23,179	\$ 0.06	\$ 16,689
Centrex 6 Lines	28,836	\$ 0.08	\$ 27,683
Centrex 5 Lines	23,247	\$ 0.09	\$ 25,107
Centrex 4 Lines	23,992	\$ 0.11	\$ 31,669
Centrex 3 Lines	4,264	\$ 0.15	\$ 7,675
Centrex 2 Lines	2,860	\$ 0.23	\$ 7,894
Centrex 1 Lines	4,584	\$ 0.45	\$ 24,754
Total Switched	37,234,380		\$ 175,893,299

**Verizon - East 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	\$	401,411,937
2	VADI Revenues to Separate Data Affiliate	Note 1	\$	61,554,568
3	Special Access End User less VADI Revenues	Ln 1 - Ln 2	\$	339,857,369
4	Interstate Special Access End User	2nd Quarter 2001 Contribution Factor	\$	0.068823
5	Expected Special Access USF Recovery for Quarter	Ln 3 * Ln 4 / 2 (Quarters)	\$	11,695,002
6	Expected Special Access USF Annual Recovery	Ln 5 * 4	\$	46,780,007

Note:

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