

Delay Of Capital Expenditures Due To Deferred NANP Exhaust

| Projected NANP Exhaust | Estimated Cost of Expanding NANP A (See Note 1) | Years from Present to Capital Expenditure B | Cost of Capital C | PV D=Excel Present Value function formula | Sprint Portion of Industry E=D*4.26% (See Note 2) | Sprint Interstate Portion @ 25% F=E*25% |
|--|---|--|----------------------|--|---|--|
| 20 Year Saving from Most Aggressive Estimated NANP Replacement Schedule | | | | | | |
| 2005 | \$ 100,000,000,000 | 3 | 11.25% | \$ (72,627,307,016) | \$ (3,091,585,141) | \$ (772,896,285) |
| 2025 | \$ 100,000,000,000 | 23 | 11.25% | \$ (8,611,911,298) | \$ (366,590,172) | \$ (91,647,543) |
| Total Saving From Delays | | | | \$ (64,015,395,718) | \$ (2,724,994,969) | \$ (681,248,742) |
| 18 Year Saving from Most Conservative Estimated NANP Replacement Schedule | | | | | | |
| 2016 | \$ 100,000,000,000 | 14 | 11.25% | \$ (22,480,176,922) | \$ (956,931,818) | \$ (239,232,955) |
| 2034 | \$ 100,000,000,000 | 32 | 11.25% | \$ (3,299,129,560) | \$ (140,436,708) | \$ (35,109,177) |
| Total Saving From Delays | | | | \$ (19,181,047,361) | \$ (816,495,110) | \$ (204,123,777) |

Note 1: AT&T chose the mid point between the \$50 billion to \$150 billion estimated cost of expanding the NANP by one or more digits

Note 2: Source: FCC Monitoring Report, October 2001, Table 3.30

| Line | A 1999 USF Loops | B Percent of Total Industry Loops | C Calculation Line 1A/Line 3A |
|------------------|------------------------|---|-------------------------------------|
| 1 Sprint | 7,874,408 | 4.26% | |
| 3 Total Industry | 184,985,055 | | |