

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		