

**THE ATTACHED COST INFORMATION IS BEING
FILED UNDER CONFIDENTIAL SEAL**

VERIZON
INFOSPEED - DSL

<u>ITEM</u>	<u>SOURCE</u>	Weighted <u>VERIZON</u>
1. Unit Investment - Note 1	Company Study	\$668.57
2. Depreciation	Company Study	\$80.48
3. Cost of Money - Note 2	Company Study	\$20.78
4. Income Taxes	Company Study	\$13.65
5. Maintenance	Company Study	\$20.18
6. Administration	Company Study	\$7.88
7. Other Taxes	Company Study	\$3.72
8. Total Direct Cost	Ln 2..Ln 7	\$146.70
9. Annualized portion of nonrecurring cost adjusted for the cost of money(11.25%)		\$8.76
10. Other Expenses - Note 3	Company Study	\$95.04
11. Total Annual Cost	Ln 8..Ln10	\$250.50
12. Monthly Cost	Ln 11/12	\$20.88
13. Monthly Rate		\$26.95
<u>Ratios</u>		
13. Annual Cost/Investment	Ln 8/Ln 1	0.22
14. Cost/Monthly Rate	Ln 12/Ln 13	0.77

Note 1 - Unit Investment include capitol required to purchase circuit equipment, central office equipment and interoffice facilities.

Note 2 - This reflects the Cost of Money component for VZ East (fBA) only. The Cost of Money component for VZ West (fGTE) is included in the Depreciation cost on Line 2.

Note 3 - Other Expenses relates to the support functions performed by Network and Marketing, Research and Development, Procurement, and Information Systems.

VERIZON
Transmittal No. 311

LIS	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04
Old Plan													
Base													
% on Old Plan	100%	85%	70%	50%	10%	5%	5%	5%	5%	5%	5%	5%	5%
LIS Old Plan													
Lines Converted to New Plan'													
New Plan													
LIS New Plan													
Total													

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