

VERIZON EAST – BNTR

Transmittal No. 327

APPENDIX A: 2003 Annual Filing, BNTRAN03.WK4

FIGURE 5

**VERIZON RATE OF RETURN
MONITORING REPORT, FCC 492A**

1. Name and Address of Reporting Company VERIZON TELEPHONE COMPANIES (VERIZON FCC TARIFF NO. 1) 1095 AVENUE OF THE AMERICAS NEW YORK, NY 10036	2. Reporting Calendar Year (A) From: Jan 2001 To: Dec 2001 (B) First Report Filed: 4/1/2002 (C) Final Report Filed: 4/1/2003
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FCC 492A PRICE CAP REGULATION
RATE OF RETURN MONITORING REPORT
(Read Instructions on the Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Col A	Final Report Col B	Difference Col C = (B-A)
1. Total Revenues	6,585,012	6,579,908	(5,104)
2. Total Expenses and Taxes	5,179,047	5,177,062	(1,985)
3. Operating Income (Net Return) (Ln1-Ln2)	1,405,965	1,402,846	(3,119)
4. Rate Base (Avg Net Investment)	10,848,392	10,848,521	129
5. Rate of Return (Ln3/Ln4)	12.96%	12.93%	-0.03%
6. Sharing/Low End Adjustment Amount	0	0	0
7. FCC Ordered Refund - Amortized for Current Period	N/A	N/A	N/A

REMARKS

1. Data shown in Column A has been adjusted for the removal of \$1.3 billion in revenues and associated costs for excluded services not subject to Price Cap incentive regulation in accordance with the Commission's Price Cap incentive regulation in accordance with the Commission's Price Cap Plan and Tariff Review Plans (TRP).

4. CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Type Name of Person Signing	Title of Person Signing	Signature
03/31/03	Lawrence R. Whitman Telephone # 212-395-1552	Sr. VP and CFO Telecom Finance	

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

1. Name and Address of Reporting Company VERIZON TELEPHONE COMPANIES (VERIZON FCC TARIFF NO. 1) 1095 AVENUE OF THE AMERICAS NEW YORK, NY 10036	2. Reporting Calendar Year (A) From: Jan 2002 To: Dec 2002 (B) First Report Filed: 4/1/2003 (C) Final Report Filed:
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FCC 492A PRICE CAP REGULATION
RATE OF RETURN MONITORING REPORT
(Read Instructions on the Reverse Before Completing)
 Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Col A	Final Report Col B	Difference Col C = (B-A)
1. Total Revenues	5,434,988	N/A	N/A
2. Total Expenses and Taxes	4,178,204	N/A	N/A
3. Operating Income (Net Return) (Ln1-Ln2)	1,256,784	N/A	N/A
4. Rate Base (Avg Net Investment)	10,499,698	N/A	N/A
5. Rate of Return (Ln3/Ln4)	11.97%	N/A	N/A
6. Sharing/Low End Adjustment Amount	0	N/A	N/A
7. FCC Ordered Refund - Amortized for Current Period	N/A	N/A	N/A

REMARKS

1. Data shown in Column A has been adjusted for the removal of \$2.5 billion in revenues and associated costs for excluded services not subject to Price Cap incentive regulation in accordance with the Commission's Price Cap incentive regulation in accordance with the Commission's Price Cap Plan and Tariff Review Plans (TRP).

4. CERTIFICATION: I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Type Name of Person Signing	Title of Person Signing	Signature
3/31/03	Lawrence R. Whitman Telephone # 212-395-1552	CFO andSr. VP Telecom Finance	

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