

EXHIBIT 1

ORIGINAL

RECEIVED

NECA NATIONAL EXCHANGE
CARRIER ASSOCIATION

100 South Jefferson Road
Whippany, New Jersey 07981
201/884-8070

SEP 30 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
James W. Frame
Executive Director
Rates, Costs & Average Schedules

September 30, 1997

Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

ATTENTION: Common Carrier Bureau

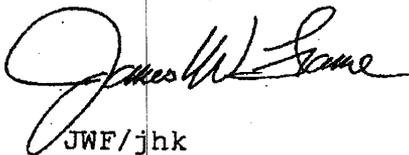
SUBJECT: Rate of Return Report, Form FCC 492

To Whom it May Concern:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, two copies of Form FCC 492, Rate of Return Report covering the cumulative period from January 1, 1995 through December 31, 1996 for the common line and traffic sensitive pools administered by NECA.

If there are any questions regarding this, please call me.

Sincerely,



JWF/jhk

Enclosures

RECEIVED

SEP 30 1997

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

1. Name and Address of Reporting Company

National Exchange Carrier Association
100 South Jefferson Road
Whippany, NJ 07981

2. Reporting Period

(a) Quarterly Period Covered:
From: To:
(b) Cumulative Period Covered:
From: 01/95 To: 12/96

FCC 492

RATE OF RETURN REPORT

Common Line Pool

(Read Instructions on Reverse Before Completing)

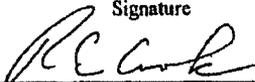
Dollar Amounts Shown in Thousands

3. Particulars	Common Line	
	Current Quarter	Cumulative
1. Total Revenues	N/A	\$2,026,630
2. Total Expenses and Taxes	N/A	\$1,670,325
3. Oper. Inc. (Not Return)(1-2)	N/A	\$356,305
4. Rate Base-(Avg. Net Invest.)	N/A	\$1,651,946
5. Rate of Return (3/4) Annualized	N/A	10.78%
6. FCC Ordered Refund - Amortized for Current Period (see Instr. D)	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$356,305
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	10.78%

4. Multiplicative Factor Used for Annualizing Rate
Of Return for Cumulative Measurement Period 0.5000

5. Total Out-of-Period Adjustment (See Instr. L) \$0

6. 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, information, 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	Typed Name of Person Signing	Title of Person Signing	Signature
9/30/97	Ronald E. Cook	Executive Director, Finance & Planning	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

FCC 492
March 1993

General Instructions

- A. This report is prescribed under authority of Sections 4(i), 4(j) and 205 of the Communications Act of 1934, as amended. FCC 492 shall be filed in duplicate with the Federal Communications Commission, Washington, D.C. 20554, not later than three (3) months after the end of the reporting quarter by all local exchange companies filing individual access tariffs with the Commission.
- B. The data shall be aggregated at the same jurisdictional levels as the tariffs. An additional six (6) months from the initial due date will be allowed for carriers to correct their complete enforcement period report.
- C. All instructions shall be followed. All questions and statements must be completed. If proper answer is "none" or "not applicable", insert that answer.
- D. Any data that requires clarification should be footnoted and fully explained in the Remarks section below. If the space provided is insufficient for the required data or it is otherwise necessary or desirable to insert additional statements or schedules, the insert pages should include the name of the respondent and the time period covered, in a style conforming as nearly as practicable to that appearing on the regular page.
- E. All amounts of money shall be in the thousands of dollars. Losses or other negative items shall be shown in parenthesis. Rates of return shall be shown to the nearest hundredth.
- F. Revenues should include only revenues earned during the report period. Costs should also reflect only those costs incurred in the report period.
- G. Rates of return on a quarterly basis shall be annualized with a multiplicative factor of 4.
- H. Interstate adjustments to rate base, expenses and revenues shall be based upon FCC Docket 19129 and other relevant Commission orders, if applicable to the reporting entity.

Specific Instructions (referenced to item numbers on form)

I. Item 3 Particulars

Line 1 - Total Revenues - (earned during the report period) shall include service revenues, interest during construction, if applicable, and miscellaneous operating revenues less uncollectibles.

as reported to NECA

Line 2 - Total Expenses and Taxes - shall include operating expenses, depreciation, amortization, other expenses, interstate allowances and disallowances if applicable, as well as all taxes.

Line 4 - Rate Base - Average Net Investment - shall include accounts 100.1, 100.2, 100.3, 100.4, 122, 171, 172 and 176. Computations shall be calculated by taking the sum of the average net investment for all months in a reporting period and dividing by the number of months in the reporting period. Deviations from this methodology should be footnoted and documented in the Remarks section Below.

Line 6 - Use the following table to calculate the after tax effect of an FCC ordered refund:

- 1. FCC Ordered Refund-Total _____
- 2. Refund for Period (amortized) _____
- 3. Tax Rate _____
- 4. Refund Adjusted for taxes _____
- {(1 minus line 3) multiplied by line 2}
- (Enter this amount)

J.

K. Item 5 - Multiplicative Factor for Cumulative Measurement - rates of return for the cumulative measurement period shall be annualized with the appropriate multiplicative factor and shown in item 4.

L. Item 6 - Total Out-of-Period Adjustment. Report total out-of-period adjustments for cumulative period in item 5. Significant out-of-period adjustments should be footnoted and explained in the Remarks section below. Significant out-of-period adjustments are those adjustments having an annualized 10 basis points or more impact within the three-enforcement categories (common line, special access, switched traffic sensitive), in conjunction with the 10 basis point threshold, carriers need only report retroactive adjustments above the following amounts:

- \$1,000,000 for common line revenues
- \$300,000 for special access revenues
- \$300,000 for switched traffic sensitive categories

Out-of-period adjustments from prior enforcement periods identified more than nine months after the prior enforcement periods have ended should be shown separately in the Remarks section if (1) a company's rate of return for an enforcement category was within 10 basis points of a refund situation and (2) will cause the prior rate of return to go above its allowed maximum. In each case, the appropriate enforcement periods should be clearly indicated.

Notice to Individuals - FCC 492 is needed to provide this Commission with data required to fulfill its regulatory responsibilities with respect to interstate telephony service under Title II of the Communications Act of 1934, as amended. Information from the FCC 492 is used, for example, to measure whether the rate of return earned by the carriers exceeds the limits imposed by the commission, and selected data from the FCC 492 are tabulated and released by the Commission. Your response is important.

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden to Federal Communications Commission, Information Records and Management Branch, Washington, D.C. 20554, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (3060-0155) Washington, D.C. 20553.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93-579, December 3, 1974, 5 U.S.C. 552(a)(e)(3), and the Paperwork Reduction Act of 1980, P.L. 96-51: 44 U.S.C. 3504(c)(3).

REMARKS

See Attachment

National Exchange Carrier Association, Inc.
100 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/95 to 12/96

Common Line Pool Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules and the Commission's Order FCC 97-83 released March 12, 1997, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 1995 through December 1996, as of the August 1997 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Eighteen companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 1994 Modification of Average Schedules was effective beginning July 1, 1994, the 1995 Modification of Average Schedules was effective July 1, 1995 and the 1996 Modification of Average Schedules was effective July 1, 1996. These formulas are the basis for total payments to average schedule companies in the current period which are included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 5) The report revises pool settlements data as directed in the Commission's Order FCC 97-83 released on March 12, 1997. The revisions are based on the following:

- (1) companies that reach a 25% SPF remain at that level in future studies; (2) companies involved in a merger or acquisition use a 25% SPF beginning on the effective date of the transaction; (3) companies with a frozen SPF below 65% complete the transition to 25% by 1993; and (4) companies with a frozen SPF above 65% complete the transition by 1997.
- 6) The report includes cumulative period rate of return data reported to NECA for 1264 study areas that participated in NECA's Carrier Common Line tariffs throughout the monitoring period. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

Washington, D.C. 20554

1. Name and Address of Reporting Company

National Exchange Carrier Association
100 South Jefferson Road
Whippany, NJ 07981

2. Reporting Period

(a) Quarterly Period Covered

From: To:

(b) Cumulative Period Covered:

From: 01/95 To: 12/96

FCC 492

NECA Tariff Participants

RATE OF RETURN REPORT

(Read Instructions on Reverse Before Completing)

Dollar Amounts Shown in Thousands

3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$2,793,603	N/A	\$1,174,242	N/A	\$99,167
2. Total Expenses and Taxes	N/A	\$2,428,426	N/A	\$999,456	N/A	\$86,431
3. Oper. Inc. (Net Return) (1-2)	N/A	\$365,177	N/A	\$174,786	N/A	\$12,736
4. Rate Base-(Avg. Net Invest.)	N/A	\$1,593,061	N/A	\$810,125	N/A	\$55,788
5. Rate of Return (%) Annualized	N/A	11.46%	N/A	10.79%	N/A	11.41%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$365,177	N/A	\$174,786	N/A	\$12,737
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	11.46%	N/A	10.79%	N/A	11.41%

3. Particulars	Switched Traffic		Traffic Sensitive	
	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$1,520,194	N/A	\$1,619,361
2. Total Expenses and Taxes	N/A	\$1,342,539	N/A	\$1,428,970
3. Oper. Inc. (Net Return) (1-2)	N/A	\$177,655	N/A	\$190,391
4. Rate Base-(Avg. Net Invest.)	N/A	\$727,148	N/A	\$782,936
5. Rate of Return (%) Annualized	N/A	12.22%	N/A	12.16%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$177,655	N/A	\$190,391
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.22%	N/A	12.16%

4. Rates of Return for the Switched Traffic Sensitive Category	5. Multiplicative Factor Used for Annualizing Rate of Return for Cumulative Measurement Period	0.5000
(a) Current Quarter	(b) Cumulative	
N/A	12.22%	
6. Total Out-of-Period Adjustment (see instruction L)		\$0

7. 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, information, 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 Typed Name of Person Signing Title of Person Signing Signature

9/30/97

Ronald E. Cook

Executive Director, Finance & Planning



WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

FCC 492-March 1993

General Instructions

- A. This report is prescribed under authority of Sections 4(i), 4(j) and 205 of the Communications Act of 1934, as amended. FCC 492 shall be filed in duplicate with the Federal Communications Commission, Washington, D.C. 20554, not later than three (3) months after the end of the reporting quarter by all local exchange companies filing individual access tariffs with the Commission.
- B. The data shall be aggregated at the same jurisdictional levels as the tariffs. An additional six (6) months from the initial due date, will be allowed for carriers to correct their complete enforcement period report.
- C. All instructions shall be followed. All questions and statements must be completed. If proper answer is "none" or "not applicable", insert that answer.
- D. Any data that requires clarification should be footnoted and fully explained in the Remarks section below. If the space provided is insufficient for the required data or it is otherwise necessary or desirable to insert additional statements or schedules, the insert pages should include the name of the respondent and the time period covered, in a style conforming as nearly as practicable to that appearing on the regular page.
- E. All amounts of money shall be in the thousands of dollars. Losses or other negative items shall be shown in parenthesis. Rates of return shall be shown to the nearest hundredth.
- F. Revenues should include only revenues earned during the report period. Costs should also reflect only those costs incurred in the report period.
- G. Rates of return on a quarterly basis shall be annualized with a multiplicative factor of 4.
- H. Interstate adjustments to rate base, expenses and revenues shall be based upon FCC Docket 19129 and other relevant Commission orders, if applicable to the reporting entity.

Specific Instructions (referenced to item numbers on form)

I. Item 3 Particulars

Column A - Interstate Access. Column A should equal the sum of columns B through F for both the current quarter and cumulative periods. Likewise, rates of return in Column A should equal the weighted average of the sums of columns B through F.

Line 1 - Total Revenues - (earned during the report period) shall include service revenues, interest during construction, if applicable, and miscellaneous operating revenues less uncollectibles.

Line 2 - Total Expenses and Taxes - shall include operating expenses, depreciation, amortization, other expenses, interstate allowances and disallowances if applicable, as well as all taxes.

Line 4 - Rate Base - Average Net Investment - shall include accounts 100.1, 100.2, 100.3, 100.4, 122, 171, 172 and 176. Computations shall be calculated by taking the sum of the average net investment for all months in a reporting period and dividing by the number of months in the reporting period. Deviations from this methodology should be footnoted and documented in the Remarks section Below.

Line 6 - Use the following table to calculate the after tax effect of an FCC ordered refund:

- 1. FCC Ordered Refund-Total _____
 - 2. Refund for Period (amortized) _____
 - 3. Tax Rate _____
 - 4. Refund Adjusted for taxes _____
- {(1 minus line 3) multiplied by line 2}
(Enter this amount)

J. Item 4 - Rates of Return for the Switched Traffic Sensitive Category calculated and entered in item 4 on the form. Switched traffic sensitive category includes line termination, local switching, intercept, information and local transport. Implementation costs should be included within "end office."

K. Item 5 - Multiplicative Factor for Cumulative Measurement - rates of return for a cumulative measurement period shall be annualized with the appropriate multiplicative factor and shown in item 5.

L. Item 6 - Total Out-of-Period Adjustment. Report total out-of-period adjustments cumulative and entered in item 6. Significant out-of-period adjustments should be footnoted and explained in the Remarks section below. Significant out-of-period adjustments are those adjustments having an annualized 10 basis points or more impact within the enforcement categories (common line, special access, switched traffic sensitive), in conjunction with the 10 basis point threshold, carriers need only report retroactive adjustments above the following amounts:

- \$1,000,000 for common line revenues
- \$300,000 for special access revenues
- \$300,000 for switched traffic sensitive categories

Out-of-period adjustments from prior enforcement periods identified more than 12 months after the prior enforcement periods have ended should be shown separately in the Remarks section if (1) a company's rate of return for an enforcement category was within 10 basis points of a refund situation and (2) will cause the prior rate of return to be above its allowed maximum. In each case, the appropriate enforcement periods should be clearly indicated.

Notice to Individuals - FCC 492 is needed to provide this Commission with data required to fulfill its regulatory responsibilities with respect to interstate telephone service under Title II of the Communications Act of 1934, as amended. Information from the FCC 492 is used, for example, to measure whether the rate of return earned by the carriers exceeds the limits imposed by the Commission, and selected data from FCC 492 are tabulated and released by the Commission. Your response is mandatory.

Public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing the burden, to Federal Communications Commission, Information Records and Management Branch, Washington, D.C. 20554, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (3060-035), Washington, D.C. 20553.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93-579, December 1974, 5 U.S.C. 552(a)(c)(3), and the Paperwork Reduction Act of 1980, P.L. 96-514 44 U.S.C. 3504(c)(3).

REMARKS

See Attachment

National Exchange Carrier Association, Inc.
100 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/95 to 12/96

NECA Tariff Participants Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules and the Commission's Order FCC 97-83 released March 12, 1997, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 1995 through December 1996, as of the August 1997 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) Eleven companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 1994 Modification of Average Schedules was effective beginning July 1, 1994, the 1995 Modification of Average Schedules was effective July 1, 1995, and the 1996 Modification of Average Schedules was effective July 1, 1996. These formulas are the basis for total payments to average schedule companies in the current period which are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 4) The report revises pool settlements data as directed in the Commission's Order FCC 97-83 released on March 12, 1997. The revisions are based on the following: (1) companies that reach a 25% SPF remain at that level in future studies; (2) companies involved in a merger or acquisition use a 25% SPF beginning on the effective date of the transaction; (3) companies with a frozen SPF below 65% complete the transition to 25% by 1993; and (4) companies with a frozen SPF above 65% complete the transition by 1997.

- 5) The report includes cumulative period rate of return data reported to NECA for 1137 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs throughout the monitoring period. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.

- 6) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

EXHIBIT 2



NATIONAL EXCHANGE
CARRIER ASSOCIATION

100 South Jefferson Road
Whippany, NJ 07981

Patricia A. Chirico
Executive Director
Tariffs, Rates, Costs & Average Schedules

RECEIVED

SEP 29 1999

FCC MAIL ROOM

Voice: 973-884-8087
Fax: 973-884-8489
E-mail: pchiric@neca.org

September 30, 1999

Ms. Katie Rangos
Industry Analysis Division
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

ATTENTION: Common Carrier Bureau
SUBJECT: Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 1997 through December 31, 1998 for the common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,

P. A. Chirico
by J.A.D.

Enclosures

cc: FCC Secretary
ITS

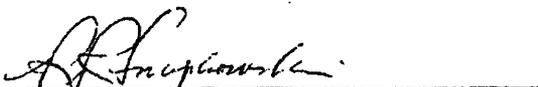
September 24, 1999

TO: Ron Cook

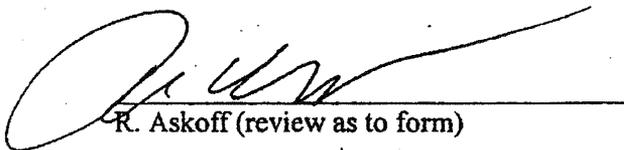
We have reviewed the attached FCC 492 Reports dated September 30, 1999 and the accompanying additional statements and believe they are accurate as of NECA pool reporting through December 1998, as of the August 1999 settlement view.



P. Chirico



R. Snopkowski



R. Askoff (review as to form)

cc: K. Levy
J. Frame

RECEIVED

SEP 29 1999

1. Name and Address of Reporting Company

National Exchange Carrier Association
 100 South Jefferson Road
 Whippany, NJ 07981

Federal Communications Commission
 Office of Secretary

2. Reporting Period

(a) Quarterly Period Covered:

From: N/A To: N/A

(b) Cumulative Period Covered:

From: 01/97 To: 12/98

FCC 492

Common Line Pool

RATE OF RETURN REPORT

(Read Instructions on Reverse Before Completing)

Dollar Amounts Shown in Thousands

3. Particulars	Common Line	
	Current Quarter	Cumulative
1. Total Revenues	N/A	\$2,393,038
2. Total Expenses and Taxes	N/A	\$1,971,806
3. Oper. Inc. (Net Return)(1-2)	N/A	\$421,232
4. Rate Base-(Avg. Net Invest.)	N/A	\$1,863,457
5. Rate of Return (3/4) Annualized	N/A	11.30%
6. FCC Ordered Refund - Amortized for Current Period (see Instr. I)	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$421,232
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	11.30%

4. Multiplicative Factor Used for Annualizing Rate
 Of Return for Cumulative Measurement Period 0.5000

5. Total Out-of-Period Adjustment (See Instr. L) \$0

6. 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, information, 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	Typed Name of Person Signing	Title of Person Signing	Signature
9/30/99	Ronald E. Cook	Vice President, Finance & Administration	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

General Instructions

1. This report is prescribed under authority of Sections 4(i), 4(j) and 205 of the Communications Act of 1934, as amended. FCC 492 shall be filed in duplicate with the Federal Communications Commission, Washington, D.C. 20554, not later than three (3) months after the end of the reporting quarter by each local exchange carrier or group of affiliated carriers which is not subject to Sections 61.41 through 61.49 of the Commission's Rules and which has filed individual access tariffs during the enforcement period. Each local exchange carrier or group of affiliated carriers subject to the previously stated sections shall file this report with the Commission within three (3) months after the end of each calendar year.

2. The data shall be aggregated at the same jurisdictional levels as the tariffs. An additional six (6) months from the initial due date, will be allowed for each local exchange carrier or group of affiliated carriers which is not subject to Sections 61.41 through 61.49 of the Commission's Rules to correct their complete enforcement period report. Each local exchange carrier or group of affiliated carriers subject to the previously stated sections may correct their annual report one year after the initial due date.

3. All instructions shall be followed. All questions and statements must be completed. Carriers subject to Sections 61.41 through 61.49 of the Commission's Rules shall complete only the portion of the report that pertains to the total interstate level (subject to price caps) for the cumulative year period and shall not complete questions four (4) and five (5), if proper answer is "none" or "not applicable", insert that answer.

4. Any data that requires clarification should be footnoted and fully explained in the Remarks section below. If the space provided is insufficient for the required data or it is otherwise necessary or desirable to insert additional statements or schedules, the insert pages should include the name of the respondent and the time period covered, in a style conforming as nearly as practicable to that appearing on the regular page.

5. All amounts of money shall be shown in the thousands of dollars. Losses or other negative items shall be shown in parenthesis. Rates of return shall be shown to the nearest hundredth.

6. Revenues should include only revenues earned during the report period. Costs should also reflect only those costs incurred in the report period.

7. Rates of return on a quarterly basis shall be annualized with a multiplicative factor of 4.

8. Interstate adjustments to rate base, expenses and revenues shall be based upon FCC Docket 19129 and other relevant Commission orders, if applicable to the reporting entity.

Specific Instructions (referenced to item numbers on form)

1. Item 3, Particulars

Column A - Interstate Access. Column A should equal the sum of columns B through F for both the current quarter and cumulative periods. Likewise, rates of return in Column A should equal the weighted average of the sums of columns B through F.

Line 1 - Total Revenues - (earned during the report period shall include service revenues, interest during construction, if applicable, and miscellaneous operating revenues less uncollectibles.

Line 2 - Total Expenses and Taxes - shall include operating expenses, depreciation, amortization, other expenses, interstate allowances and disallowances, if applicable, as well as all taxes.

Line 4 - Rate Base-Average Net Investment - shall include accounts 100.1, 100.2, 100.3, 100.4, 122, 171, 172, and 178. Computation shall be calculated by taking the sum of the average net investments for all months in a reporting period and dividing by the number of months in the reporting period. Deviations from this methodology should be footnoted and documented in the Remarks section below.

Line 8 - Use the following table to calculate the after tax effect of an FCC ordered refund:

1. FCC Ordered Refund Total	_____
2. Refund for Period (amortized)	_____
3. Tax Rate	_____
4. Refund Adjusted for Taxes	_____
(1 minus line 3) multiplied by line 2)	
(Enter this amount)	

J. Item 4 - Rates of Return for the Switched Traffic Sensitive Category should be calculated and entered in item 4 on the form. Switched traffic sensitive consists of line termination, local switching, intercept, information and local transport. End office includes line termination, local switching and intercept. For reporting purposes, equal access implementation costs should be included within "end office."

K. Item 5 - Multiplicative Factor for Cumulative Measurement - rates of return for the cumulative measurement period shall be annualized with the appropriate multiplicative factor and shown in item 5.

L. Item 6 - Total Out-of-Period Adjustment. Report total out-of-period adjustments for cumulative period in item 6. Significant out-of-period adjustments should be footnoted and explained in the Remarks section below. Significant out-of-period adjustments are those adjustments having an annualized 10 basis points or more impact within the three enforcement categories (common line, special access, switched traffic sensitive), in connection with the 10 basis point threshold, carriers need only report retroactive adjustments above the following amounts: \$1,000,000 for common line revenues; \$300,000 for special access revenues; and \$300,000 for switched traffic sensitive categories.

Out-of-period adjustments from prior enforcement periods identified more than nine months after the prior enforcement periods have ended should be shown separately in the Remarks section if (1) a company's rate of return for an enforcement category was within 10 basis points of a refund situation and (2) will cause the prior rate of return to go above its allowed maximum. In each case, the appropriate enforcement periods should be clearly indicated.

Notice of Individuals - FCC 492 is needed to provide this Commission with data required to fulfill its regulatory responsibility with respect to interstate telephone service under Title II of Communications Act of 1934, as amended. Information from the FCC is used, for example, to measure whether the rate of return earned by the carriers exceeds the limits imposed by this Commission, and selected data from the FCC 492 are tabulated and released by the Commission. Your response is mandatory.

Public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Federal Communications Commission, Information Records and Management Branch, Washington, D.C. 20554, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (3080-0355), Washington, D.C. 20553.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93-579, December 31, 1974, 5 U.S.C. 552a(e)(3), and the Paperwork Reduction Act of 1980, P.L. 96-511, 44 U.S.C. 3504(c)(3).

REMARKS

RECEIVED

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

Approved by OMB 3060-0355
Expires 05/31/98

SEP 29 1999

1. Name and Address of Reporting Company

National Exchange Carrier Association
100 South Jefferson Road
Whippany, NJ 07981

Federal Communications Commission
Office of Secretary

2. Reporting Period

(a) Quarterly Period Covered
From: N/A To: N/A
(b) Cumulative Period Covered:
From: 01/97 To: 12/98

FCC 492

NECA Tariff Participants

RATE OF RETURN REPORT

(Read Instructions on Reverse Before Completing)

Dollar Amounts Shown in Thousands

3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$3,381,741	N/A	\$1,286,991	N/A	\$134,297
2. Total Expenses and Taxes	N/A	\$2,965,912	N/A	\$1,092,704	N/A	\$118,425
3. Oper. Inc. (Net Return) (1-2)	N/A	\$415,829	N/A	\$194,287	N/A	\$15,872
4. Rate Base-(Avg. Net Invest.)	N/A	\$1,692,781	N/A	\$858,625	N/A	\$81,934
5. Rate of Return (%) Annualized	N/A	12.28%	N/A	11.31%	N/A	9.69%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$415,829	N/A	\$194,287	N/A	\$15,872
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.28%	N/A	11.31%	N/A	9.69%

3. Particulars	Switched Traffic		Traffic Sensitive		
	Total				
	Current Quarter	Cumulative	Current Quarter	Cumulative	
1. Total Revenues	N/A	\$1,960,453	N/A	\$2,094,750	
2. Total Expenses and Taxes	N/A	\$1,754,783	N/A	\$1,873,208	
3. Oper. Inc. (Net Return) (1-2)	N/A	\$205,706	N/A	\$221,578	
4. Rate Base-(Avg. Net Invest.)	N/A	\$752,222	N/A	\$834,156	
5. Rate of Return (%) Annualized	N/A	13.67%	N/A	13.28%	
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$205,706	N/A	\$221,578	
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	13.67%	N/A	13.28%	

4. Rates of Return for the Switched Traffic Sensitive Category

(a) Current Quarter

N/A

(b) Cumulative

13.67%

5. Multiplicative Factor Used for Annualizing Rate
of Return for Cumulative Measurement Period

0.5000

6. Total Out-of-Period Adjustment
(see instruction L)

\$ 0

7. 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, information, 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 Typed Name of Person Signing Ronald E. Cook

Title of Person Signing Vice President, Finance & Administration

Signature

9/30/99

Ronald E. Cook

Vice President, Finance & Administration

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

FCC 492- May 1995

General Instructions

This report is prescribed under authority of Sections 4(i), 4(j) and 205 of the Communications Act of 1934, as amended. FCC 482 shall be filed in duplicate with the Federal Communications Commission, Washington, D.C. 20554, not later than three (3) months after the end of the reporting quarter by each local exchange carrier or group of affiliated carriers which is not subject to Sections 61.41 through 61.49 of the Commission's Rules and which has filed individual access tariffs during the enforcement period. Each local exchange carrier or group of affiliated carriers subject to the previously stated sections shall file this report with the Commission within three (3) months after the end of each calendar year.

The data shall be aggregated at the same jurisdictional levels as the tariffs. An additional six (6) months from the initial due date, will be allowed for each local exchange carrier or group of affiliated carriers which is not subject to Sections 61.41 through 61.49 of the Commission's Rules to correct their complete enforcement period report. Each local exchange carrier or group of affiliated carriers subject to the previously stated sections may correct their annual report one year after the initial due date.

C. All instructions shall be followed. All questions and statements must be completed. Carriers subject to Sections 61.41 through 61.49 of the Commission's Rules shall complete only the portion of the report that pertains to the total interstate level (subject to price caps) for the cumulative year period and shall not complete questions four (4) and five (5), if proper answer is "none" or "not applicable", insert that answer.

D. Any data that requires clarification should be footnoted and fully explained in the Remarks section below. If the space provided is insufficient for the required data or it is otherwise necessary or desirable to insert additional statements or schedules, the insert pages should include the name of the respondent and the time period covered, in a style conforming as nearly as practicable to that appearing on the regular page.

E. All amounts of money shall be shown in the thousands of dollars. Losses or other negative items shall be shown in parenthesis. Rates of return shall be shown to the nearest hundredth.

F. Revenues should include only revenues earned during the report period. Costs should also reflect only those costs incurred in the report period.

J. Rates of return on a quarterly basis shall be annualized with a multiplicative factor of 4.

M. Interstate adjustments to rate base, expenses and revenues shall be based upon FCC Docket 19129 and other relevant Commission orders, if applicable to the reporting entity.

Specific Instructions (referenced to item numbers on form)

I. Item 3. Particulars

Column A - Interstate Access. Column A should equal the sum of columns B through F for both the current quarter and cumulative periods. Likewise, rates of return in Column A should equal the weighted average of the sums of columns B through F.

Line 1 - Total Revenues - earned during the report period shall include service revenues, interest during construction, if applicable, and miscellaneous operating revenues less uncollectibles.

Line 2 - Total Expenses and Taxes - shall include operating expenses, depreciation, amortization, other expenses, interstate allowances and disallowances if applicable, as well as all taxes.

Line 4 - Rate Base-Average Net Investment - shall include accounts 100.1, 100.2, 100.3, 100.4, 122, 171, 172, and 178. Computation shall be calculated by taking the sum of the average net investments for all months in a reporting period and dividing by the number of months in the reporting period. Deviations from this methodology should be footnoted and documented in the Remarks section below.

Line 6 - Use the following table to calculate the after tax effect of an FCC-ordered refund:

1. FCC Ordered Refund Total	_____
2. Refund for Period (amortized)	_____
3. Tax Rate	_____
4. Refund Adjusted for Taxes	_____
(1 minus line 3) multiplied by line 2	
(Enter this amount)	

J. Item 4 - Rates of Return for the Switched Traffic Sensitive Category should be calculated and entered in item 4 on the form. Switched traffic sensitive consists of line termination, local switching, intercept, information and local transport. End office includes line termination, local switching and intercept. For reporting purposes, equal access implementation costs should be included within "end office."

K. Item 5 - Multiplicative Factor for Cumulative Measurement - rates of return for the cumulative measurement period shall be annualized with the appropriate multiplicative factor and shown in item 5.

L. Item 6 - Total Out-of-Period Adjustment. Report total out-of-period adjustments for cumulative period in item 6. Significant out-of-period adjustments should be footnoted and explained in the Remarks section below. Significant out-of-period adjustments are those adjustments having an annualized 10 basis points or more impact within the three enforcement categories (common line, special access, switched traffic sensitive). In connection with the 10 basis point threshold, carriers need only report retroactive adjustments above the following amounts: \$1,000,000 for common line revenues; \$300,000 for special access revenues; and \$300,000 for switched traffic sensitive categories.

Out-of-period adjustments from prior enforcement periods identified more than nine months after the prior enforcement periods have ended should be shown separately in the Remarks section if (1) a company's rate of return for an enforcement category was within 10 basis points of a refund situation and (2) will cause the prior rate of return to go above its allowed maximum. In each case, the appropriate enforcement periods should be clearly indicated.

Notice of Individuals - FCC 482 is needed to provide this Commission with data required to fulfill its regulatory responsibility with respect to interstate telephone service under Title II of Communications Act of 1934, as amended. Information from the FCC is used, for example, to measure whether the rate of return earned by the carriers exceeds the limits imposed by this Commission, and selected data from the FCC 482 are tabulated and released by the Commission. Your response is mandatory.

Public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Federal Communications Commission, Information Records and Management Branch, Washington, D.C. 20554, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (3050-0355), Washington, D.C. 20553.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93-578, December 31, 1974, 5 U.S.C. 552(a)(e)(3), and the Paperwork Reduction Act of 1980, P.L. 96-511, 44 U.S.C. 3504(c)(3).

REMARKS

National Exchange Carrier Association, Inc.
100 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/97 to 12/98

Common Line Pool Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 1997 through December 1998, as of the August 1999 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Twenty-one companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 1996 Modification of Average Schedules was effective beginning July 1, 1996, and the 1997 Modification of Average Schedules was effective July 1, 1997. These formulas are the basis for total payments to average schedule companies in the current period which are included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 5) The report includes cumulative period rate of return data reported to NECA for 1251 study areas that participated in NECA's Carrier Common Line tariffs throughout the monitoring period. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

National Exchange Carrier Association, Inc.
100 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/97 to 12/98

NECA Tariff Participants Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 1997 through December 1998, as of the August 1999 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) Fourteen companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 1996 Modification of Average Schedules was effective beginning July 1, 1996, and the 1997 Modification of Average Schedules was effective July 1, 1997. These formulas are the basis for total payments to average schedule companies in the current period which are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 4) The report includes cumulative period rate of return data reported to NECA for 1088 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs throughout the monitoring period. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

- 6) Proper recognition of the interstate nature of Internet traffic would significantly reduce the traffic sensitive pool rate of return.

EXHIBIT 3

NECA NATIONAL EXCHANGE
CARRIER ASSOCIATION

80 South Jefferson Road
Whippany, NJ 07981

Patricia A. Chirico
Executive Director
Tariffs, Rates, Costs & Average Schedules

Voice: 973-884-8087
Fax: 973-884-8469
E-mail: pchiric@neca.org

September 28, 2001

Ms. Katie Rangos
Federal Communications Commission
Industry Analysis Division
445 12th Street, SW
Washington, DC 20554

ATTENTION: Common Carrier Bureau

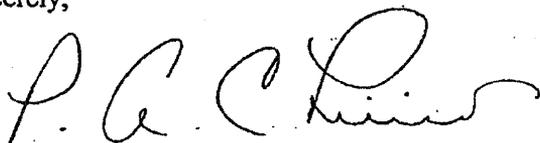
SUBJECT: Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 1999 through December 31, 2000 for common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,



Enclosures

cc: FCC Secretary
ITS

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period (a) Quarterly Period Covered: From: N/A To: N/A (b) Cumulative Period Covered: From: 01/99 To: 12/00
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FCC 492
Common Line Pool

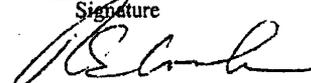
RATE OF RETURN REPORT
(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Particulars	Common Line	
	Current Quarter	Cumulative
1. Total Revenues	N/A	\$2,756,182
2. Total Expenses and Taxes	N/A	\$2,296,125
3. Oper. Inc. (Net Return)(1-2)	N/A	\$460,057
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,010,450
5. Rate of Return (3/4) Annualized	N/A	11.44%
6. FCC Ordered Refund - Amortized for Current Period (see Instr. I)	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$460,057
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	11.44%

4. Multiplicative Factor Used for Annualizing Rate
Of Return for Cumulative Measurement Period 0.5000

5. Total Out-of-Period Adjustment (See Instr. L) \$0

6. 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, information, 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	Typed Name of Person Signing	Title of Person Signing	Signature
09/28/2001	Ronald E. Cook	Vice President, Finance & Planning	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

National Exchange Carrier Association, Inc.
100 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/99 to 12/00

Common Line Pool Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 1999 through December 2000, as of the August 2001 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Twenty-six companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 1998 Modification of Average Schedules was effective beginning July 1, 1998, the 1999 Modification of Average Schedules was effective July 1, 1999, and the 2000 Modification of Average Schedules was effective July 1, 2000. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 5) The report includes cumulative period rate of return data reported to NECA for 1250 study areas that participated in NECA's Carrier Common Line tariffs throughout the monitoring period or entered the Common Line Pool within the first sixteen months of the monitoring period and elected for NECA to file their data for the months during the monitoring period they were in the pool. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period (a) Quarterly Period Covered N/A N/A (b) Cumulative Period Covered: 01/99 12/00
--	---

FCC 492
NECA Tariff Participants

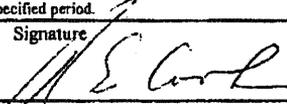
RATE OF RETURN REPORT
(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$3,359,924	N/A	\$1,494,509	N/A	\$224,628
2. Total Expenses and Taxes	N/A	\$2,907,827	N/A	\$1,262,940	N/A	\$194,250
3. Oper. Inc. (Net Return) (1-2)	N/A	\$452,097	N/A	\$231,569	N/A	\$30,378
4. Rate Base-(Avg. Net Invest.)	N/A	\$1,914,803	N/A	\$1,011,957	N/A	\$132,316
5. Rate of Return (1/4) Annualized	N/A	11.81%	N/A	11.44%	N/A	11.48%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$452,097	N/A	\$231,569	N/A	\$30,378
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	11.81%	N/A	11.44%	N/A	11.48%

3. Particulars	Switched Traffic		Traffic Sensitive	
	Total			
	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$1,640,787	N/A	\$1,865,415
2. Total Expenses and Taxes	N/A	\$1,450,637	N/A	\$1,644,887
3. Oper. Inc. (Net Return) (1-2)	N/A	\$190,150	N/A	\$220,528
4. Rate Base-(Avg. Net Invest.)	N/A	\$770,530	N/A	\$902,846
5. Rate of Return (1/4) Annualized	N/A	12.34%	N/A	12.21%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$190,150	N/A	\$220,528
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.34%	N/A	12.21%

4. Rates of Return for the Switched Traffic Sensitive Category		5. Multiplicative Factor Used for Annualizing Rate of Return for Cumulative Measurement Period	
(a) Current Quarter	(b) Cumulative	0.5000	
N/A	12.34%	6. Total Out-of-Period Adjustment (see instruction L)	
		\$ 0	

7. 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, information, 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: 09/28/2001
 Typed Name of Person Signing: Ronald E. Cook
 Title of Person Signing: Vice President, Finance & Planning
 Signature: 

National Exchange Carrier Association, Inc.
100 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/99 to 12/00

NECA Tariff Participants Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 1999 through December 2000, as of the August 2001 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) Twenty-four companies in the Traffic Sensitive Pool converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 1998 Modification of Average Schedules was effective beginning July 1, 1998, the 1999 Modification of Average Schedules was effective July 1, 1999, and the 2000 Modification of Average Schedules was effective July 1, 2000. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies.
- 4) The report includes cumulative period rate of return data reported to NECA for 1078 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs throughout the monitoring period or entered the Common Line Pool and Traffic Sensitive Pools within the first sixteen months of the monitoring period and elected for NECA to file their data for the months during the monitoring period they were in the pool. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

EXHIBIT 4



80 South Jefferson Road • Whippany, NJ 07981

Patricia A. Chirico
Executive Director
Tariffs, Rates, Costs & Average Schedules

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SEP 30 2003

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Federal Communication Commission
Bureau / Office

September 30, 2003

Ms. Katie Rangos
Federal Communications Commission
Industry Analysis & Technology Division
445 12th Street, SW
Washington, DC 20554

ATTENTION: Wire Line Competition Bureau

SUBJECT: Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 2001 through December 31, 2002 for common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,

Enclosures

cc: FCC Secretary
Qualex

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period (a) Quarterly Period Covered: From: N/A To: N/A (b) Cumulative Period Covered: From: 01/01 To: 12/02
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FCC 492
Common Line Pool

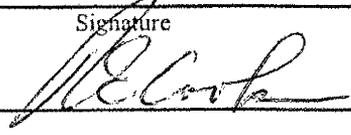
RATE OF RETURN REPORT
(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Particulars	Common Line	
	Current Quarter	Cumulative
1. Total Revenues	N/A	\$3,425,600
2. Total Expenses and Taxes	N/A	\$2,879,536
3. Oper. Inc. (Net Return)(1-2)	N/A	\$546,064
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,265,866
5. Rate of Return (3/4) Annualized	N/A	12.05%
6. FCC Ordered Refund - Amortized for Current Period (see Instr. I)	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$546,064
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.05%

4. Multiplicative Factor Used for Annualizing Rate
Of Return for Cumulative Measurement Period 0.5000

5. Total Out-of-Period Adjustment (See Instr. L) \$0

6. 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, information, 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	Typed Name of Person Signing	Title of Person Signing	Signature
09/30/2003	Ronald E. Cook	Vice President, Finance & Administration	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

National Exchange Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/01 to 12/02

Common Line Pool Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 2001 through December 2002, as of the August 2003 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Thirty-eight companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 2000 Modification of Average Schedules was effective beginning July 1, 2000, the 2001 Modification of Average Schedules was effective beginning July 1, 2001, and the 2002 Modification of Average Schedules was effective beginning July 1, 2002. These formulas are the basis for total payments to average schedule companies in the current period that is included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support and Interstate Common Line Support payments are subject to true-ups pursuant to FCC rules.
- 5) The report includes cumulative period rate of return data reported to NECA for 1243 study areas that participated in NECA's Carrier Common Line tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period	
	(a) Quarterly Period Covered	N/A N/A
	(b) Cumulative Period Covered:	01/01 12/02

FCC 492
NECA Tariff Participants

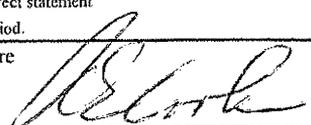
RATE OF RETURN REPORT
(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$4,158,193	N/A	\$2,101,957	N/A	\$449,022
2. Total Expenses and Taxes	N/A	\$3,558,474	N/A	\$1,783,812	N/A	\$381,979
3. Oper. Inc. (Net Return) (1-2)	N/A	\$599,719	N/A	\$318,145	N/A	\$67,043
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,427,570	N/A	\$1,320,125	N/A	\$266,729
5. Rate of Return (%) Annualized	N/A	12.35%	N/A	12.05%	N/A	12.57%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$599,719	N/A	\$318,145	N/A	\$67,043
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.35%	N/A	12.05%	N/A	12.57%

3. Particulars	Switched Traffic		Traffic Sensitive	
	Total			
	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$1,607,214	N/A	\$2,056,236
2. Total Expenses and Taxes	N/A	\$1,392,683	N/A	\$1,774,662
3. Oper. Inc. (Net Return) (1-2)	N/A	\$214,531	N/A	\$281,574
4. Rate Base-(Avg. Net Invest.)	N/A	\$840,716	N/A	\$1,107,445
5. Rate of Return (%) Annualized	N/A	12.76%	N/A	12.71%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$214,531	N/A	\$281,574
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.76%	N/A	12.71%

4. Rates of Return for the Switched Traffic Sensitive Category		5. Multiplicative Factor Used for Annualizing Rate of Return for Cumulative Measurement Period	
(a) Current Quarter	(b) Cumulative		0.5000
N/A	12.76%	6. Total Out-of-Period Adjustment (see instruction L)	
		\$ 0	

7. 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, information, 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: 09/30/2003
Typed Name of Person Signing: Ronald E. Cook
Title of Person Signing: Vice President, Finance & Administration
Signature: 

National Exchange Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
From: N/A
Cumulative Period Covered
From: 01/01 to 12/02

NECA Tariff Participants Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 2001 through December 2002, as of the August 2003 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) Thirty-six companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 2000 Modification of Average Schedules was effective July 1, 2000, the 2001 Modification of Average Schedules was effective July 1, 2001, and the 2002 Modification of Average Schedules was effective July 1, 2002. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
- 3) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support, Interstate Common Line Support, and Local Switching Support payments are subject to true-ups pursuant to FCC rules.
- 4) The report includes cumulative period rate of return data reported to NECA for 1091 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.

EXHIBIT 5



80 South Jefferson Road • Whippany, NJ 07981

Patricia A. Chirico
Executive Director
Tariffs, Rates, Costs & Average Schedules

RECEIVED

MAR 31 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Voice: 973-884-8087
Fax: 973-884-8469
E-mail: pchirico@neca.org

March 31, 2004

Ms. Katie Rangos
Federal Communications Commission
Industry Analysis & Technology Division
445 12th Street, SW
Washington, DC 20554

ATTENTION: Wire Line Competition Bureau

SUBJECT: Rate of Return Report, Form FCC 492

Dear Ms. Rangos:

Attached please find, in accordance with Part 65.600 of the Commission's Rules, the Rate of Return Report covering the cumulative period of January 1, 2003 through December 31, 2003 for common line and traffic sensitive pools administered by NECA.

If there are any questions regarding the enclosed, please call me.

Sincerely,

Enclosures

cc: FCC Secretary

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

Approved by OMB 3060-0355
Expires 05/31/98

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period (a) Quarterly Period Covered: From: N/A To: N/A (b) Cumulative Period Covered: From: 01/03 To: 12/03
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FCC 492
Common Line Pool

RATE OF RETURN REPORT
(Read Instructions on Reverse Before Completing)
Dollar Amounts Shown in Thousands

3. Particulars	Common Line	
	Current Quarter	Cumulative
1. Total Revenues	N/A	\$1,960,010
2. Total Expenses and Taxes	N/A	\$1,672,969
3. Oper. Inc. (Net Return)(1-2)	N/A	\$287,041
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,324,707
5. Rate of Return (3/4) Annualized	N/A	12.35%
6. FCC Ordered Refund - Amortized for Current Period (see Instr. I)	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$287,041
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	12.35%
4. Multiplicative Factor Used for Annualizing Rate Of Return for Cumulative Measurement Period		1.0000
5. Total Out-of-Period Adjustment (See Instr. L)		\$0

6. 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, information, 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	Typed Name of Person Signing	Title of Person Signing	Signature
03/31/2004	Peter Dunbar	Director of Financial Operations and Treasurer	

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, Section 503).

National Exchange Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
from: N/A
Cumulative Period Covered
from: 01/03 to 12/03

Common Line Pool Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line Pool for the period January 2003 through December 2003, as of the March 2004 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) This Common Line-only pool report supplements data contained in NECA's combined Common Line/Traffic Sensitive pool Form 492 Report. Common Line data contained herein is duplicative of the data contained in NECA's combined report and the combined reports of individual exchange carriers that participate in NECA's Common Line pool but not its Traffic Sensitive pool.
- 2) Nine companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line Pool during the reporting periods.
- 3) The 2002 Modification of Average Schedules was effective beginning July 1, 2002 and the 2003 Modification of Average Schedules was effective beginning July 1, 2003. These formulas are the basis for total payments to average schedule companies in the current period that is included, along with Category I.B NECA administrative expenses, in line 2 of NECA's Form 492.
- 4) Some cost company reported expenses and investments included in NECA's FCC 492 report are based upon estimated data. Historically, expense and investment levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 report will decline as the companies update their studies. Also, Long Term Support and Interstate Common Line Support payments are subject to true-ups pursuant to FCC rules.
- 5) The report includes cumulative period rate of return data reported to NECA for 1241 study areas that participated in NECA's Carrier Common Line tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return.

1. Name and Address of Reporting Company National Exchange Carrier Association 80 South Jefferson Road Whippany, NJ 07981	2. Reporting Period	
	(a) Quarterly Period Covered N/A	N/A
	(b) Cumulative Period Covered: 01/03	12/03

FCC 492

NECA Tariff Participants

RATE OF RETURN REPORT

(Read Instructions on Reverse Before Completing)

Dollar Amounts Shown in Thousands

3. Particulars	(A) Interstate Access		(B) Common Line		(C) Special Access	
	Current Quarter	Cumulative	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$2,319,739	N/A	\$1,243,598	N/A	\$314,899
2. Total Expenses and Taxes	N/A	\$1,975,211	N/A	\$1,067,336	N/A	\$260,945
3. Oper. Inc. (Net Return) (1-2)	N/A	\$344,528	N/A	\$176,262	N/A	\$53,954
4. Rate Base-(Avg. Net Invest.)	N/A	\$2,591,887	N/A	\$1,427,516	N/A	\$315,862
5. Rate of Return (%) Annualized	N/A	13.29%	N/A	12.35%	N/A	17.08%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$344,528	N/A	\$176,262	N/A	\$53,954
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	13.29%	N/A	12.35%	N/A	17.08%

3. Particulars	Switched Traffic		Traffic Sensitive	
			Total	
	Current Quarter	Cumulative	Current Quarter	Cumulative
1. Total Revenues	N/A	\$761,242	N/A	\$1,076,141
2. Total Expenses and Taxes	N/A	\$646,930	N/A	\$907,875
3. Oper. Inc. (Net Return) (1-2)	N/A	\$114,312	N/A	\$168,266
4. Rate Base-(Avg. Net Invest.)	N/A	\$848,509	N/A	\$1,164,371
5. Rate of Return (%) Annualized	N/A	13.47%	N/A	14.45%
6. FCC Ordered Refund- Amortized for Current Period (see Instr. I)	N/A	\$0	N/A	\$0
7. Net Return (incl. effect of FCC Order Refund) (3+6)	N/A	\$114,312	N/A	\$168,266
8. Rate of Return (incl. effect of FCC Order Refund) (7/4) Annualized	N/A	13.47%	N/A	14.45%

4. Rates of Return for the Switched Traffic Sensitive Category		5. Multiplicative Factor Used for Annualizing Rate of Return for Cumulative Measurement Period	1.0000
(a) Current Quarter	(b) Cumulative		
N/A	13.47%	6. Total Out-of-Period Adjustment (see instruction L)	\$0

7. 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, information, 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 03/31/2004 Typed Name of Person Signing Peter Dunbar Title of Person Signing Director of Financial Operations and Treasurer Signature 

National Exchange Carrier Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Quarterly Period Covered
From: N/A
Cumulative Period Covered
From: 01/03 to 12/03

NECA Tariff Participants Form 492
Additional Statements

Pursuant to Section 65.600 of the Commission's Rules, NECA is submitting cumulative period Rate of Return information for the Common Line and Traffic Sensitive categories for the period January 2003 through December 2003, as of the March 2004 settlement view.

All of the individual line items on Form 492 include estimates and are subject to further adjustments, as Exchange Carriers revise data. The amounts in this report require the following additional explanations:

- 1) Nine companies converted from average schedule settlements to cost-based settlements during the cumulative period. These conversions affect the levels of expenses and investment associated with the Common Line and Traffic Sensitive pools during the reporting periods.
- 2) The 2002 Modification of Average Schedules was effective July 1, 2002 and the 2003 Modification of Average Schedules was effective July 1, 2003. These formulas are the basis for total payments to average schedule companies in the current period that are included, along with Category I.B and I.C NECA administrative expenses, in line 2 of NECA's Form 492.
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- 4) The report includes cumulative period rate of return data reported to NECA for 1113 study areas that have participated in both NECA's carrier common line and traffic sensitive tariffs pursuant to Commission rules. Actual cost and average schedule settlements information is used for the study areas in the report. Revenues for these study areas are derived using the pool realized rate of return. The Total Interstate Access columns consist of data summed from the Common Line and Traffic Sensitive categories. Exchange carriers not included in NECA's Form 492 filed an interstate access tariff during the monitoring period and file their own Form 492 pursuant to Commission rules.
- 5) NECA reports the Rate of Return as an aggregate for the Traffic Sensitive category for monitoring purposes per Authorized Rates of Return for Interstate Services of AT&T Communications and Exchange Telephone Carriers, CC Docket No. 84-800 Phase I, Memorandum Opinion and Order, FCC 86-14 (released March 24, 1986) at n. 51.