

Demonstration of Projection Bias Rate of Return Companies Special Access

Exhibit A-3

A Company	Test 1			Test 2				
	B # of Observations	C # of Obs. < 11.25%	D Probability of (C) or less Obs < 0	E Average Rate of Return	F Standard Deviation of the Average Rate of Return	G Calculated t-statistic	H Critical t-statistic at 95% Confidence Level	I Significant Outlier
Virgin Islands	7	0	0.78%	16.91%	0.011934	4.745051	1.943	Yes
Alltel Arkansas	6	0	1.56%	12.54%	0.003942	3.276442	2.015	Yes
Alltel Florida	9	3	18.36%	16.31%	0.026534	1.907833	1.860	Yes
Alltel Missouri	9	1	1.95%	14.98%	0.013101	2.850525	1.860	Yes
Alltel Oklahoma	9	2	1.95%	15.88%	0.020998	2.202888	1.860	Yes
JSI - Concord	NOTES: Colu	1	1.95%	28.11%	0.036932	4.565197	1.860	Yes

NOTES: Column D is the probability that the number of actual observations less than 0, or less than that number are all less than 0.
For example, for Alltel-Oklahoma, the number of observations less than 0 is 2. The probability that 2 or

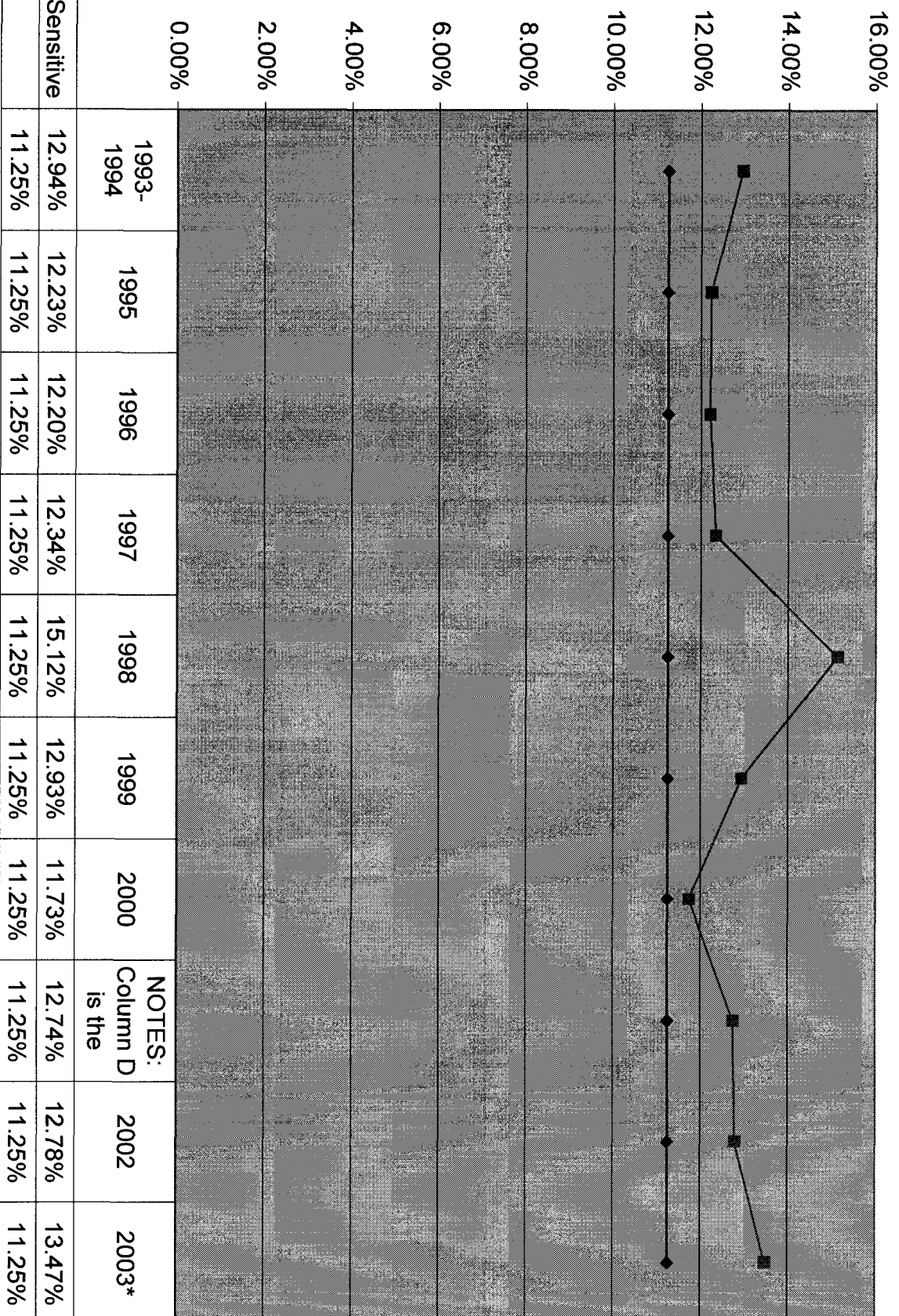
$$\Pr(2 \text{ or less observations} < 0) = \sum_{i=1}^2 \binom{9}{i} (0.5)^9 = \left(\frac{1}{2}\right)^9 \{1 + 9 + 36\} = 46 / 512 = 0.0898.$$

Column E is the simple average of a LEC's rate of return. The average is derived by simply summing the Special Access return identified for each observation and dividing by the number of observations.

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NECA Rate-of-Return (FCC form 492 data)

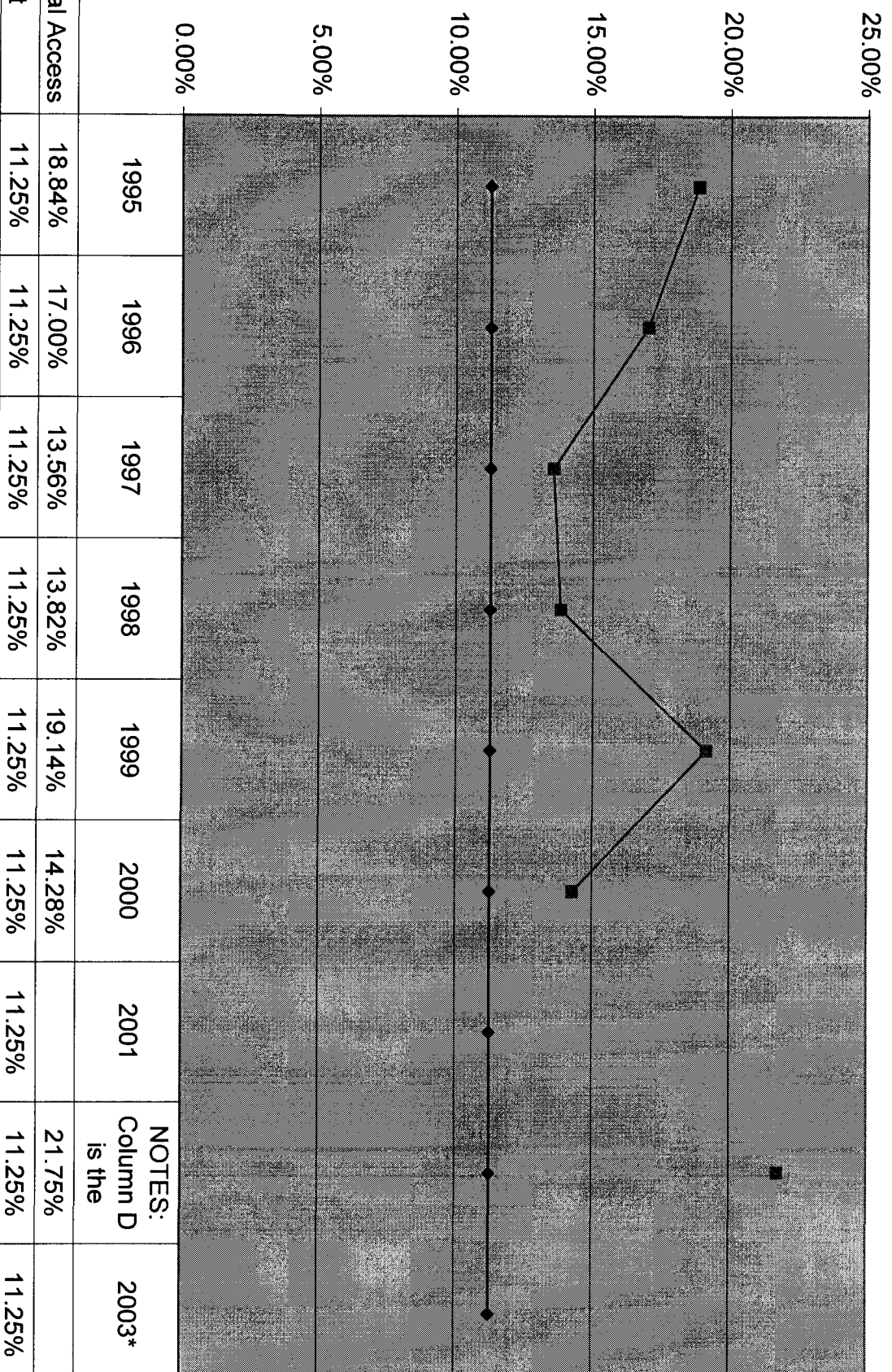
Exhibit A-4



* Preliminary 492 Form

Virgin Islands Rate-of-Return (FCC form 492 data)

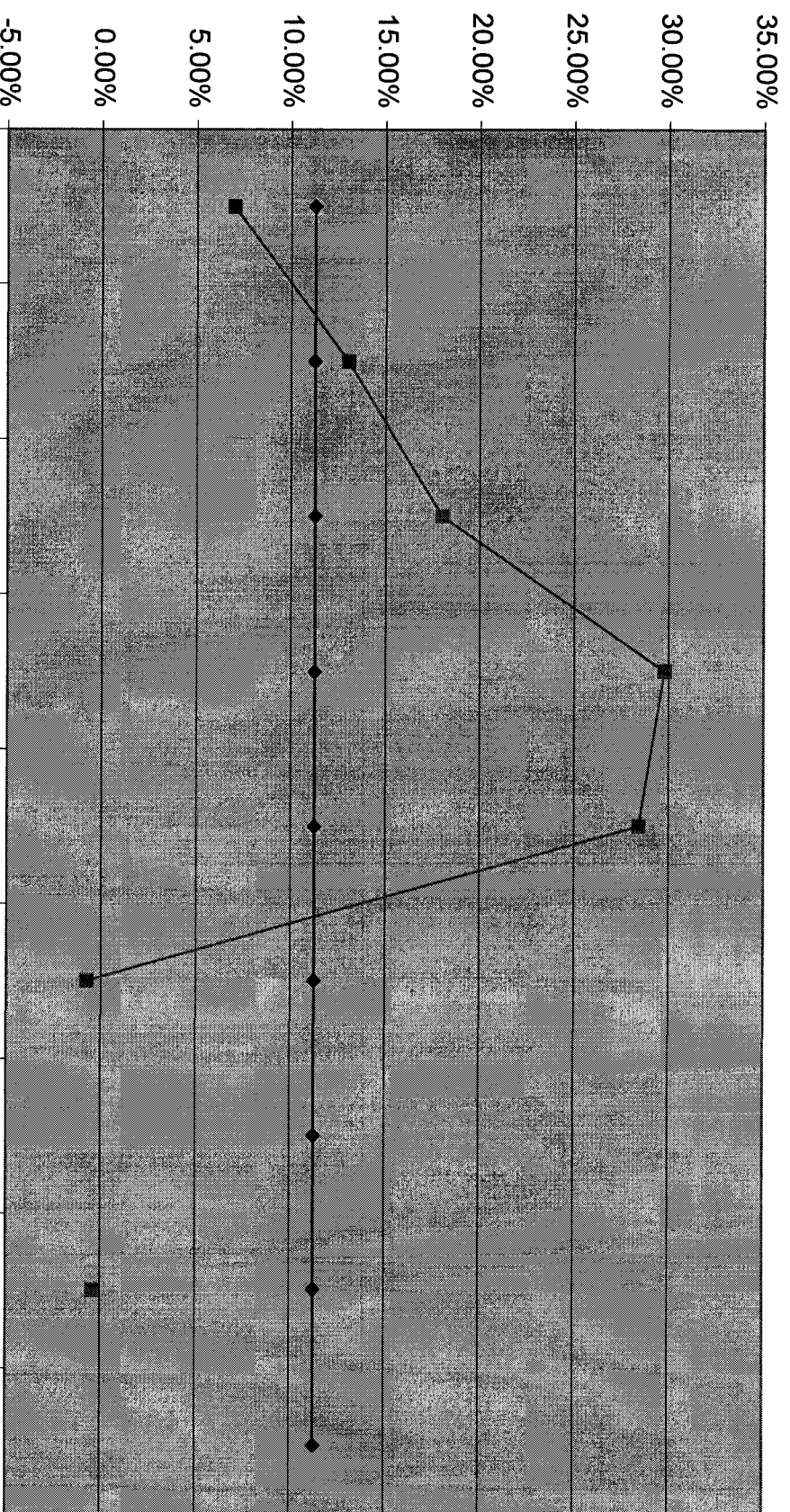
Exhibit A-5



* Preliminary 492 Form

Virgin Islands Rate-of-Return (FCC form 492 data)

Exhibit A-6

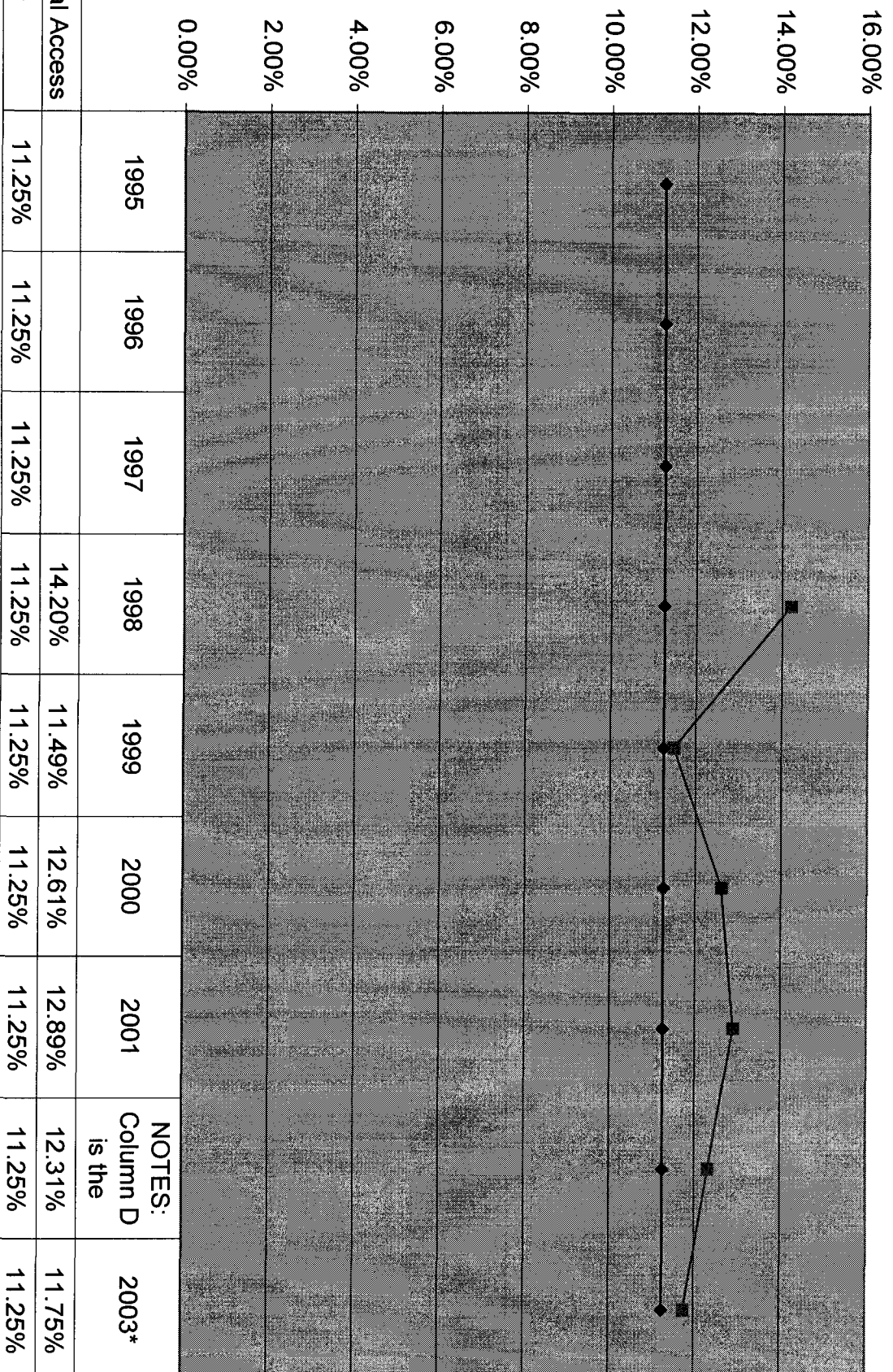


	1995	1996	1997	1998	1999	2000	2001	NOTES: Column D is the	2003*
■ Traffic Sensitive	6.96%	13.03%	18.00%	29.77%	28.40%	-0.78%	-0.43%		
◆ Target	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

* Preliminary 492 Form

Aitlet Arkansas Rate-of-Return (FCC form 492 data)

Exhibit A-7



* Preliminary 492 Form