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OFFICE OF THE
EXECUTIVE SECRETARY

May 24, 2002

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Generic Docket to Consider Geographic Deaveraging
Docket No. 01-00339

Dear Mr. Waddell:

Enclosed please find the original and thirteen copies of the Proposed Geographic Deaveraging Methodology of WorldCom which we would appreciate your filing in the above-referenced docket. We have also enclosed a diskette of the attachments for your use.

Thank you for your attention to this matter.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: Jon Hastings

Jon E. Hastings

JEH/th

Enclosures

cc: Parties of Record

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

IN RE:

GENERIC DOCKET TO CONSIDER GEOGRAPHIC DEAVERAGING	**) DOCKET NO.) 01-00339**

PROPOSED GEOGRAPHIC DEAVERAGING METHODOLOGY OF WORLDCOM

MCI WorldCom Communications, Inc., MCImetro Access Transmission Services, LLC and Brooks Fiber Communications of Tennessee, Inc. (collectively "WorldCom") hereby file their proposed methodology for geographically deaveraging unbundled network elements ("UNEs") in Tennessee.

INTRODUCTION

Geographic deaveraging is the process of establishing UNE rates based on the variation in costs of provisioning network elements across distinct geographic areas. The purpose of geographic deaveraging is to more closely match rates charged for a UNE with the underlying costs incurred in making that element available. All UNE rates, averaged and deaveraged, must adhere to the General Pricing Standards covered in 47 C.F.R. §51.503[1] and the forward-looking economic

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[1] Rule 503 states:

(a) An incumbent LEC shall offer elements to requesting telecommunications carriers at rates, terms, and conditions that are just, reasonable, and nondiscriminatory.
(b) An incumbent LEC's rates for each element it offers shall comply with the rate structure rules set forth in Secs. 51.507 and 51.509, and shall be established, at the

cost standards covered in 47 C.F.R. §51.505.[2] Rule 505 prohibits consideration of embedded costs, retail costs or revenues in the calculation of the forward-looking economic cost of an element. Rule 505 applies to deaveraged, as well as averaged, UNE costs. Because BellSouth's local retail rates inherently contain some consideration of embedded retail costs, as well as revenues associated with

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election of the state commission-- (1) Pursuant to the forward-looking economic cost-based pricing methodology set forth in Secs. 51.505 and 51.511; or

(2) Consistent with the proxy ceilings and ranges set forth in Sec. 51.513.

(c) The rates that an incumbent LEC assesses for elements shall not vary on the basis of the class of customers served by the requesting carrier, or on the type of services that the requesting carrier purchasing such elements uses them to provide.

[2] Rule 505 states:

(a) In general. The forward-looking economic cost of an element equals the sum of:

(1) The total element long-run incremental cost of the element, as described in paragraph (b); and

(2) A reasonable allocation of forward-looking common costs, as described in paragraph (c).

(b) Total element long-run incremental cost. The total element long-run incremental cost of an element is the forward-looking cost over the long run of the total quantity of the facilities and functions that are directly attributable to, or reasonably identifiable as incremental to, such element, calculated taking as a given the incumbent LEC's provision of other elements.

(1) Efficient network configuration. The total element long-run incremental cost of an element should be measured based on the use of the most efficient telecommunications technology currently available and the lowest cost network configuration, given the existing location of the incumbent LEC's wire centers. . .

(d) Factors that may not be considered. The following factors shall not be considered in a calculation of the forward-looking economic cost of an element:

(1) Embedded costs. Embedded costs are the costs that the incumbent LEC incurred in the past and that are recorded in the incumbent LEC's books of accounts;

(2) Retail costs. Retail costs include the costs of marketing, billing, collection, and other costs associated with offering retail telecommunications services to subscribers who are not telecommunications carriers, described in Sec. 51.609;

(3) Opportunity costs. Opportunity costs include the revenues that the incumbent LEC would have received for the sale of telecommunications services, in the absence of competition from telecommunications carriers that purchase elements; and

(4) Revenues to subsidize other services. Revenues to subsidize other services include revenues associated with elements or telecommunications service offerings other than the element for which a rate is being established.

elements other than loops, they cannot be considered in establishing the forward-looking economic cost, averaged or deaveraged, of loops. The same analysis would apply to the forward-looking economic cost of any other element.

Moreover, UNE rates must be deaveraged in accordance with the Deaveraging Rule, which states in its entirety:

> State commissions shall establish different rates for Elements in at least three defined geographic areas within the state to reflect geographic cost differences.
> (1) To establish geographically-deaveraged rates, state commissions may use existing density-related zone pricing plans described in Sec. 69.123 of this chapter, or other such cost-related zone plans established pursuant to state law.
> (2) In states not using such existing plans, state commissions must create a minimum of three cost-related rate zones. 47 C.F.R. §51.507(f).

Clearly deaveraged UNE rates must be based on the relative forward-looking economic cost differences of UNEs between geographic areas.

The current (interim) method used to deaverage UNE rates in Tennessee does not comport with these requirements. On an interim basis, in its April 25, 2000 decision in Docket No. 97-1262, the Authority adopted BellSouth's proposed method to deaverage UNE rates. This methodology does not base deaveraging on cost differences caused by geography but rather uses BellSouth's local retail rates as the basis for UNE rate deaveraging and is most likely the method BellSouth will propose in this proceeding. The current, interim methodology sends inaccurate signals to telecommunications market, causes inefficiency and fails to comport with the Act and relevant FCC rules. WorldCom

recommends that, for permanent deaveraging, the Authority adopt a cost-based UNE deaveraging methodology originally developed by Sprint.[3]

The issue of permanent UNE rate deaveraging has been formally addressed by seven of the nine BellSouth state regulatory commissions. Six of the seven regulatory commissions that have ruled on UNE rate deaveraging have rejected BellSouth's proposal to use its local retail rate groups as the basis for UNE deaveraging.

The Alabama Public Service Commission stated in its order:

> "the staff recommended the utilization of wire center methodology for deaveraging unbundled network elements as opposed to the rate group methodology proposed by BellSouth. Staff indicated that the wire center methodology was more consistent with the forward-looking economic principles underlying the FCC's reinstated pricing rules 51.501 – 51.515 and more readily accommodated the portability of universal service funding among eligible telecommunications carriers." Before the Alabama Public Service Commission, Docket No. 25980, *Further Report and Order*, April 28, 2000.

The Florida Public Service Commission stated in its order:

> By assigning wire centers to existing retail rate groups, BellSouth's proposal commingles and averages together the costs of both low-cost and high-cost wire centers; the result cannot be meaningfully considered "cost-based". Before the Florida Public Service Commission, Order No. PSC-01-1181-FOF-TP, Docket No. 990649-TP, May 25, 2001, at p. 40.

The Kentucky Public Service Commission stated in its order:

> BellSouth admits that the existing retail rate groups are not based on cost, but rather on a public policy goal to ensure affordable local service for all customers. Furthermore, BellSouth's proposal does not take into account the actual cost of individual wirecenters. As an example, if the Commission adopted BellSouth's proposal, the

[3] It is WorldCom's understanding that Sprint will again be proposing this methodology in this docket as well.

> range of individual wirecenter costs for Zone 1 would be approximately $8.00 to $73.00. The other two zones are equally disparate. The Commission finds this disparity unreasonable and rejects BellSouth's proposal. Before the Kentucky Public Service Commission, *Administrative Case No. 382*, Order, December 18, 2001 at pp. 33-34.

The Louisiana Public Service Commission stated in its order:

> We reject BellSouth's proposed deaveraging methodology as a fundamentally flawed approach which violates both the requirement of Rule 507(f) to use "cost-based" zones and the underlying principles of the Telecommunications Act, which requires that all UNE rates be based on cost. We find that any cost relationship within the three zones is minimal, at best, and, further, that the UNE prices resulting from BellSouth's methodology will serve only to hamper competition in the state. Before the Louisiana Public Service Commission, Order No. U-24714, September 21, 2001, at pp 15-16.

The Mississippi Public Service Commission stated, "we also believe, however, that it is appropriate to deaverage based on logical groupings using wire center costs." Before the Mississippi Public Service Commission, Docket No. 00-UA-999, Final Order, October 12, 2001, at p. 37.

The North Carolina Utilities Commission stated in its order:

> The Commission does not believe BellSouth's proposed methodology of basing zones on BellSouth's existing rate groups is appropriate. Before the North Carolina Utility Commission, *Recommended Order Concerning Geographic Deaveraging*, Docket No. P-100, Sub 133d, March 15, 2001, p. 25; adopted, NCUC, Docket No. P-100, Sub 133d, *Order Finalizing Deaveraged UNE Rates and Denying ALLTEL's Motion to Deaverage Nonrecurring Rates*, December 11, 2001.

And finally, in the current Georgia UNE rate proceeding, BellSouth, WorldCom and AT&T have reached an agreement to use the UNE deaveraging methodology selected by the Alabama PSC and apply it to wire center cost that will be determined by BellSouth's new loop model (BSTLM) in Georgia. The only

state that has affirmatively adopted BellSouth's retail rate group method of UNE deaveraging is the South Carolina Public Service Commission.

UNE rates should be deaveraged so that the rates for wholesale elements can more closely reflect the rates that would be determined by a competitive marketplace. This will promote economic efficiency. Cost-based UNE rates are required by the Telecommunications Act of 1996. Deaveraging UNE rates to reflect geographic cost differences fine tunes the relationship of cost to rates. Geography and population density are key network cost drivers. Mountainous, less densely populated areas, such as areas of eastern Tennessee, are high cost areas when evaluated on a per unit basis (*i.e.*, per customer or line). Densely populated areas, such as the Memphis metropolitan area, are low cost areas when evaluated on a per unit basis. Thus, when UNE rates are based on the average cost of a large geographic area, certain rates are below their actual cost and certain rates are above their actual cost. Geographically deaveraging UNE rates brings rates closer to their cost. The economic reason behind deaveraging is to help competitors make improved market entry decisions, resulting in a more efficient telecommunications marketplace.

The FCC created Rule 51.507(f) to establish the minimum level of fine tuning that is required. FCC Rule 51.507(f) requires state commissions to establish different rates for elements in at least three geographic areas within the state to reflect geographic cost differences. FCC Rule 51.507(f) fine tunes the other UNE pricing rules so that the UNE rates can better reflect geographic cost differences.

The only thing that should be considered in determining de-averaged UNE rates are the forward-looking economic cost differences caused by different geographic areas. This is because, assuming the average UNE rate is cost-based, if something other than forward-looking economic cost is used to de-average the existing rate, the resulting deaveraged rates will no longer be cost-based, and this send inaccurate signals to the marketplace and would violate FCC Rules 51.503 and 51.505.

WorldCom does not support the interim deaveraging methodology that exists in Tennessee because it believes that deaveraged UNE rates should and must reflect the relative forward looking economic cost differences of the UNEs between geographic areas. The methodology in place creates non-cost-based deaveraged UNE rates that send incorrect economic signals to the marketplace. Further, it insulates BellSouth's retail rates from cost-based competition to the detriment of the development of local competition.

BellSouth's retail rate group method of deaveraging inappropriately raises the wholesale UNE rates in areas where its retail rates are high. It does so by taking all of its wire centers in areas with the highest *retail rate* (e.g. not those with the highest *cost*) in the state and lumping those wire centers together in one basket. This places low cost areas in the same zone with high cost areas. By lumping together low and high cost wire centers in the same zone, the average cost of the low cost zone is increased and the "deaveraged" UNE rates for that zone is also increased. The resulting inflated UNE rates insulate BellSouth's high retail rates in low cost areas from cost-based local competition using UNEs.

The practice of using retail rate groups to deaverage wholesale UNE rates is at odds with the basic economic principles of cost-based wholesale pricing and one of the primary goals of cost-based UNE pricing, which is to permit efficient competitive entry to eventually help drive retail rates towards cost.

WorldCom's deaveraging proposal is based on the deaveraging proposal made by Sprint here in Tennessee, in Docket No. 00-00544, and in other states. This proposal will aid the Commission in the future by easing its administrative burdens and achieves the goal of deaveraging rates by grouping areas with similar cost characteristics into the same UNE rate zones.

Sprint's deaveraged UNE proposal has been described as follows:

> A network element's rate should be geographically deaveraged when the actual cost (TELRIC plus forward-looking common costs) of providing the element anywhere within a defined geographic area deviates significantly from the averaged price for the element across the defined area. While it is impossible to quantify with absolute precision what a "significant" deviation of actual cost from averaged price is, SPRINT believes that differences in excess of 20% are of sufficient magnitude to potentially distort competitors' investment decisions. Using this criteria, the actual cost of providing a network element anywhere within the state or a geographically defined area should be no greater than 20% (plus or minus) of the network element's averaged price.[4]

WorldCom recommends that Sprint's deaveraged UNE cost methodology be applied to existing UNE rates and to the average UNE loop cost by wire center as determined in the upcoming "new technologies" case.

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[4] Direct Testimony of Michael R. Hunsucker, Before the North Carolina Utilities Commission, Docket No. P-100, SUB 133d, pp. 5-6, filed June 9, 2000.

Attachment 1 contains the de-averaged methodology proposed by WorldCom.[5] This deaveraging methodology can be summarized as follows. First, order the BellSouth wire centers in Tennessee from lowest average monthly loop cost to highest average monthly loop cost. Next, group wire centers into zones depending on the deviation criteria assumed. WorldCom has performed this calculation using relative cost data taken from the FCC's synthesis cost model. However, the same methodology can be applied to the results obtained from BellSouth's BSTLM in the upcoming new technologies docket (Docket No. 02-00434). WorldCom recommends that this calculation be done using a 20% deviation criteria. This is the deviation criteria that has been advocated by Sprint and it results in six deaveraged UNE zones for BellSouth in Tennessee.[6]

The calculations shown on attachment 1 produce zone weighting percentages.[7] These zone weighting percentages should be applied to BellSouth's current statewide average UNE loop, loop combination and subloop rates to produce the deaveraged loop and subloop rates for each zone. When applied to loop combination elements, the zone weighting percentages should only be applied to the loop portion of the combined UNE. UNE Loop rates that have a fixed and per mile rate structure, such as BellSouth's OC-3 loop, need not

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[5] WorldCom has also made available an electronic copy of this deaveraging methodology in Microsoft Excel format.

[6] It is possible that when the results from BellSouth's BSTLM is used, a 20% banding criteria could result in more or less zones.

[7] See Attachment Page 1, Row E.

be deaveraged. The list of BellSouth wire centers that are in each zone is contained on pages 2 – 6 of Attachment 1, titled BellSouth Tennessee Deaveraging, 20% Banding – Data.

CONCLUSION

Because UNEs are inputs that competitors will use to determine whether and where to enter the local telecommunications market, it is essential that the rates for these inputs be cost-based, so that the correct economic ("build, buy or not enter") signals can be sent to potential market entrants. WorldCom's proposal, based on the Sprint methodology, achieves the only appropriate deaveraging goal, which is to group areas with similar cost characteristics into the same UNE rate zones. For these reasons and those set forth above, WorldCom recommends the Authority adopt its proposed geographic deaveraging methodology.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, to the following on this the 24th day of May, 2002.

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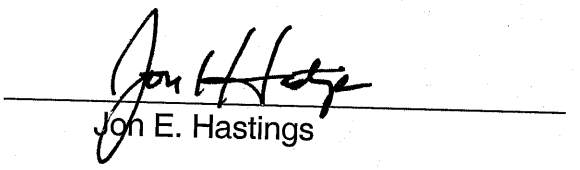

Jon E. Hastings

TENNESSEE DOCKET 01-00339
WORLDCOM UNE DEAVERAGING
20 PERCENT BANDING

Row	Description	Source	Unbundled Network Element Deaveraged Zone 1	Unbundled Network Element Deaveraged Zone 2	Unbundled Network Element Deaveraged Zone 3	Unbundled Network Element Deaveraged Zone 4	Unbundled Network Element Deaveraged Zone 5	Unbundled Network Element Deaveraged Zone 6
A	Minimum Value	Row B * (1 - Row I)	$12.51	18.77	28.15	42.23	63.35	95.03
B	Center Value		15.64	23.46	35.19	52.79	79.19	118.79
C	Maximum Value	Row B * (1 + Row I)	18.77	28.15	42.23	63.35	95.03	142.55
D	Weighted Average Loop Cost in Zone	Cost of Wire Centers > A and < C / Demand	17.17	22.46	33.25	50.17	74.48	98.79
E	**Zone Weighting Percentage ***	Row D / Statewide Average Cost	70.25%	91.89%	136.05%	205.28%	304.76%	404.25%
F	Number of Lines	Demand in Wire Centers > A and < C	919,423	1,090,059	440,654	140,280	25,465	1,039
G	Percentage of Lines	Row F / Total Demand	35.13%	41.65%	16.84%	5.36%	0.97%	0.04%
H	Percentage of Wire Centers		11.86%	23.71%	31.96%	22.16%	9.28%	1.03%
I	Band Size	Assumption	20%	20%	20%	20%	20%	20%

* Zone Weighting Percentage is applied to state average loop cost to determine deaveraged UNE loop rate for each wire center in each zone.

BellSouth Tennesseee Deaveraging
20 Percent Banding - Data

State	ILEC	CLLI	Loop	Switched Lines	Total Loop cost	Cost Percentile	Zone
TN	South Central Bell-Tn	NSVLTNCD	$12.51	2,307	$346,327	51%	1
TN	South Central Bell-Tn	NSVLTNUN	$14.23	20,793	$3,550,613	58%	1
TN	South Central Bell-Tn	MMPHTNMA	$14.31	36,769	$6,313,973	59%	1
TN	South Central Bell-Tn	CHTGTNNS	$15.22	29,229	$5,338,385	62%	1
TN	South Central Bell-Tn	NSVLTNMT	$15.23	55,172	$10,083,235	62%	1
TN	South Central Bell-Tn	MMPHTNMT	$16.30	42,648	$8,341,949	67%	1
TN	South Central Bell-Tn	NSVLTNHH	$16.39	8,074	$1,587,994	67%	1
TN	South Central Bell-Tn	MMPHTNEL	$16.89	54,812	$11,109,296	69%	1
TN	South Central Bell-Tn	NSVLTNST	$17.09	51,267	$10,513,836	70%	1
TN	South Central Bell-Tn	MMPHTNCT	$17.35	52,714	$10,975,055	71%	1
TN	South Central Bell-Tn	MMPHTNOA	$17.35	87,728	$18,264,970.	71%	1
TN	South Central Bell-Tn	MMPHTNST	$17.35	30,134	$6,273,899	71%	1
TN	South Central Bell-Tn	NSVLTNAP	$17.53	31,397	$6,604,673	72%	1
TN	South Central Bell-Tn	MMPHTNSL	$17.54	60,346	$12,701,626	72%	1
TN	South Central Bell-Tn	MMPHTNCK	$17.58	18,254	$3,850,864	72%	1
TN	South Central Bell-Tn	KNVLTNBE	$17.75	24,778	$5,277,714	73%	1
TN	South Central Bell-Tn	NSVLTNCH	$17.78	60,851	$12,983,169	73%	1
TN	South Central Bell-Tn	NSVLTNDO	$17.83	47,806	$10,228,572	73%	1
TN	South Central Bell-Tn	NSVLTNMC	$18.11	26,044	$5,659,882	74%	1
TN	South Central Bell-Tn	NSVLTNBW	$18.18	34,413	$7,507,540	74%	1
TN	South Central Bell-Tn	CHTGTNDT	$18.32	37,138	$8,164,418	75%	1
TN	South Central Bell-Tn	NSVLTNIN	$18.45	38,357	$8,492,240	75%	1
TN	South Central Bell-Tn	KNVLTNMA	$18.59	68,392	$15,256,887	76%	1
TN	South Central Bell-Tn	OKRGTNMT	$18.91	23,684	$5,374,373	77%	2
TN	South Central Bell-Tn	MMPHTNBA	$18.99	83,628	$19,057,149	78%	2
TN	South Central Bell-Tn	OLHCTNMA	$19.06	7,371	$1,685,895	78%	2
TN	South Central Bell-Tn	CHTGTNBR	$19.62	47,648	$11,218,245	80%	2
TN	South Central Bell-Tn	GTWSTNSW	$19.68	1,252	$295,672	81%	2
TN	South Central Bell-Tn	MMPHTNGT	$20.02	56,501	$13,573,800	82%	2
TN	South Central Bell-Tn	NSVLTNBV	$20.29	19,535	$4,756,382	83%	2
TN	South Central Bell-Tn	JCSNTNNS	$20.37	18,488	$4,519,207	83%	2
TN	South Central Bell-Tn	KNVLTNWH	$20.40	50,427	$12,344,530	83%	2
TN	South Central Bell-Tn	CHTGTNRB	$20.54	26,871	$6,623,164	84%	2
TN	South Central Bell-Tn	CHTGTNRO	$20.54	27,532	$6,786,087	84%	2
TN	South Central Bell-Tn	SMYRTNMA	$20.61	16,952	$4,192,569	84%	2
TN	South Central Bell-Tn	HDVLTNMA	$20.73	26,743	$6,652,589	85%	2
TN	South Central Bell-Tn	MMPHTNFR	$20.76	26,761	$6,666,700	85%	2
TN	South Central Bell-Tn	NSVLTNBH	$20.82	3,187	$796,240	85%	2
TN	South Central Bell-Tn	NSVLTNWM	$20.94	20,323	$5,106,763	86%	2
TN	South Central Bell-Tn	GDVLTNMA	$21.07	15,136	$3,826,986	86%	2
TN	South Central Bell-Tn	KNVLTNFC	$21.50	33,033	$8,522,514	88%	2
TN	South Central Bell-Tn	MRBOTNMA	$22.42	54,212	$14,585,196	92%	2
TN	South Central Bell-Tn	GTBGTNMT	$23.03	6,481	$1,791,089	94%	2
TN	South Central Bell-Tn	CHTGTNSE	$23.08	12,092	$3,349,000	94%	2
TN	South Central Bell-Tn	MMPHTNWW	$23.18	20,158	$5,607,149	95%	2
TN	South Central Bell-Tn	CLVLTNMA	$23.44	53,947	$15,174,212	96%	2
TN	South Central Bell-Tn	CHTGTNMV	$23.64	14,737	$4,180,592	97%	2

BellSouth Tennesseee Deaveraging
20 Percent Banding - Data

State	ILEC	CLLI	Loop	Switched Lines	Total Loop cost	Cost Percentile	Zone
TN	South Central Bell-Tn	KNVLTNYH	$23.77	29,275	$8,350,401	97%	2
TN	South Central Bell-Tn	MAVLTNMA	$23.79	52,071	$14,865,229	97%	2
TN	South Central Bell-Tn	TLLHTNMA	$24.06	14,997	$4,329,934	98%	2
TN	South Central Bell-Tn	CLEVTNMA	$24.11	46,690	$13,508,351	99%	2
TN	South Central Bell-Tn	MRTWTNMA	$24.22	32,958	$9,578,913	99%	2
TN	South Central Bell-Tn	CHTGTNSM	$24.25	7,362	$2,142,342	99%	2
TN	South Central Bell-Tn	GALLTNMA	$24.45	19,412	$5,695,481	100%	2
TN	South Central Bell-Tn	CLTNTNMA	$24.50	13,663	$4,016,922	100%	2
TN	South Central Bell-Tn	CRVLTNMA	$24.63	16,758	$4,952,994	101%	2
TN	South Central Bell-Tn	MILNTNMA	$24.63	6,548	$1,935,327	101%	2
TN	South Central Bell-Tn	FKLNTNCC	$24.70	130	$38,532	101%	2
TN	South Central Bell-Tn	CLMATNMA	$24.75	27,403	$8,138,691	101%	2
TN	South Central Bell-Tn	FKLNTNMA	$24.78	32,417	$9,639,519	101%	2
TN	South Central Bell-Tn	HMBLTNMA	$25.54	8,462	$2,593,434	105%	2
TN	South Central Bell-Tn	JCSNTNMA	$26.37	34,549	$10,932,686	108%	2
TN	South Central Bell-Tn	DYBGTNMA	$26.53	16,434	$5,231,928	109%	2
TN	South Central Bell-Tn	NSVLTNWC	$26.99	10,712	$3,469,403	110%	2
TN	South Central Bell-Tn	SPFDTNMA	$27.16	13,487	$4,395,683	111%	2
TN	South Central Bell-Tn	SHVLTNMA	$27.25	14,390	$4,705,530	112%	2
TN	South Central Bell-Tn	UNCYTNMA	$27.64	9,344	$3,099,218	113%	2
TN	South Central Bell-Tn	TRTNTNMA	$27.78	5,096	$1,698,803	114%	2
TN	South Central Bell-Tn	LWBGTNMA	$27.90	11,202	$3,750,430	114%	2
TN	South Central Bell-Tn	SVVLTNMT	$28.17	26,666	$9,014,175	115%	3
TN	South Central Bell-Tn	WHHSTNMA	$28.21	4,754	$1,609,324	115%	3
TN	South Central Bell-Tn	JFCYTNMA	$28.90	9,140	$3,169,752	118%	3
TN	South Central Bell-Tn	DKSNTNMT	$28.92	13,828	$4,798,869	118%	3
TN	South Central Bell-Tn	LNCYTNMA	$29.13	12,179	$4,257,291	119%	3
TN	South Central Bell-Tn	LODNTNMA	$29.41	6,632	$2,340,565	120%	3
TN	South Central Bell-Tn	CRTHTNMA	$29.92	3,899	$1,399,897	122%	3
TN	South Central Bell-Tn	ASCYTNMA	$29.97	7,179	$2,581,856	123%	3
TN	South Central Bell-Tn	CHTGTNHT	$30.00	8,790	$3,164,400	123%	3
TN	South Central Bell-Tn	SPBGTNMA	$30.19	3,598	$1,303,483	124%	3
TN	South Central Bell-Tn	LBNNTNMA	$30.33	25,093	$9,132,848	124%	3
TN	South Central Bell-Tn	MNPLTNMA	$30.58	4,309	$1,581,231	125%	3
TN	South Central Bell-Tn	WHPITNMA	$30.87	2,874	$1,064,645	126%	3
TN	South Central Bell-Tn	FYVLTNMA	$30.91	10,272	$3,810,090	126%	3
TN	South Central Bell-Tn	LRBGTNMA	$31.15	13,284	$4,965,559	127%	3
TN	South Central Bell-Tn	RKWDTNMA	$31.20	6,145	$2,300,688	128%	3
TN	South Central Bell-Tn	LFLTTNMA	$31.28	13,776	$5,170,959	128%	3
TN	South Central Bell-Tn	GNBRTNMA	$31.30	4,531	$1,701,844	128%	3
TN	South Central Bell-Tn	PTLDTNMA	$31.41	8,120	$3,060,590	129%	3
TN	South Central Bell-Tn	ATHNTNMA	$31.45	15,491	$5,846,303	129%	3
TN	South Central Bell-Tn	LKCYTNMA	$31.50	2,341	$884,898	129%	3
TN	South Central Bell-Tn	HIMNTNMA	$31.78	7,494	$2,857,912	130%	3
TN	South Central Bell-Tn	PARSTNMA	$32.10	11,059	$4,259,927	131%	3
TN	South Central Bell-Tn	DYTNTNMA	$32.56	8,292	$3,239,850	133%	3
TN	South Central Bell-Tn	RPLYTNMA	$32.67	6,678	$2,618,043	134%	3

BellSouth Tennesseee Deaveraging
20 Percent Banding - Data

State	ILEC	CLLI	Loop	Switched Lines	Total Loop cost	Cost Percentile	Zone
TN	South Central Bell-Tn	OLSPTNMA	$33.51	2,361	$949,405	137%	3
TN	South Central Bell-Tn	HHNWTNMA	$33.54	5,815	$2,340,421	137%	3
TN	South Central Bell-Tn	CVTNTNMT	$33.59	11,802	$4,757,150	137%	3
TN	South Central Bell-Tn	SDDSTNMA	$33.91	8,342	$3,394,527	139%	3
TN	South Central Bell-Tn	SWTWTNMT	$34.03	5,856	$2,391,356	139%	3
TN	South Central Bell-Tn	MSCTTNMT	$34.29	11,729	$4,826,249	140%	3
TN	South Central Bell-Tn	DYERTNMT	$34.32	2,005	$825,739	140%	3
TN	South Central Bell-Tn	TPVLTNMA	$34.98	1,737	$729,123	143%	3
TN	South Central Bell-Tn	MCKNTNMA	$35.22	4,473	$1,890,469	144%	3
TN	South Central Bell-Tn	ETWHTNMT	$35.25	5,294	$2,239,362	144%	3
TN	South Central Bell-Tn	DNRGTNMA	$35.38	4,723	$2,005,197	145%	3
TN	South Central Bell-Tn	NWPTTNMT	$35.42	13,752	$5,845,150	145%	3
TN	South Central Bell-Tn	SANGTNMT	$35.44	2,626	$1,116,785	145%	3
TN	South Central Bell-Tn	NRRSTNMA	$35.77	4,143	$1,778,341	146%	3
TN	South Central Bell-Tn	WNCHTNMA	$36.09	9,081	$3,932,799	148%	3
TN	South Central Bell-Tn	MDVITNMT	$36.24	5,752	$2,501,430	148%	3
TN	South Central Bell-Tn	MNCHTNMA	$36.34	9,695	$4,227,796	149%	3
TN	South Central Bell-Tn	SVNHTNMT	$36.39	9,540	$4,165,927	149%	3
TN	South Central Bell-Tn	WHBLTNMT	$36.87	5,634	$2,492,707	151%	3
TN	South Central Bell-Tn	FIVLTNMA	$37.61	1,415	$638,618	154%	3
TN	South Central Bell-Tn	KGTNTNMT	$37.67	8,198	$3,705,824	154%	3
TN	South Central Bell-Tn	RRVLTNMA	$37.75	7,661	$3,470,433	154%	3
TN	South Central Bell-Tn	BWVLTNMA	$37.88	9,071	$4,123,314	155%	3
TN	South Central Bell-Tn	NSVLTNAA	$38.06	24	$10,961	156%	3
TN	South Central Bell-Tn	TRINTNMA	$38.21	3,957	$1,814,364	156%	3
TN	South Central Bell-Tn	ARTNTNMT	$38.52	3,630	$1,677,931	158%	3
TN	South Central Bell-Tn	NWBRTNMA	$38.76	2,771	$1,288,848	159%	3
TN	South Central Bell-Tn	MYVLTNMA	$39.07	6,132	$2,874,927	160%	3
TN	South Central Bell-Tn	TWNSTNMA	$39.22	1,832	$862,212	160%	3
TN	South Central Bell-Tn	BLVRTNMA	$39.45	6,841	$3,238,529	161%	3
TN	South Central Bell-Tn	LXTNTNMA	$39.48	11,310	$5,358,226	162%	3
TN	South Central Bell-Tn	HTVLTNMA	$39.49	2,980	$1,412,162	162%	3
TN	South Central Bell-Tn	FRVWTNMT	$39.55	3,880	$1,841,448	162%	3
TN	South Central Bell-Tn	GNFDTNMT	$39.69	1,829	$871,116	162%	3
TN	South Central Bell-Tn	SEWNTNMW	$39.78	1,177	$561,853	163%	3
TN	South Central Bell-Tn	JSPRTNMT	$40.15	4,224	$2,035,123	164%	3
TN	South Central Bell-Tn	SPHLTNMT	$42.03	2,938	$1,481,810	172%	3
TN	South Central Bell-Tn	PLSKTNMA	$42.56	12,333	$6,298,710	174%	4
TN	South Central Bell-Tn	PSVWTNMT	$42.93	3,834	$1,975,123	176%	4
TN	South Central Bell-Tn	KNTNTNMA	$43.04	1,176	$607,380	176%	4
TN	South Central Bell-Tn	SPCYTNMT	$43.12	4,290	$2,219,818	176%	4
TN	South Central Bell-Tn	HNLDTNMA	$45.36	1,094	$595,486	186%	4
TN	South Central Bell-Tn	RDGLTNMA	$45.59	1,522	$832,656	187%	4
TN	South Central Bell-Tn	CRHLTNCB	$46.01	3,963	$2,188,052	188%	4
TN	South Central Bell-Tn	CMDNTNMA	$46.40	5,931	$3,302,381	190%	4
TN	South Central Bell-Tn	HNSNTNMT	$46.50	6,143	$3,427,794	190%	4
TN	South Central Bell-Tn	SLMRTNMT	$46.95	6,719	$3,785,485	192%	4

BellSouth Tennesseee Deaveraging
20 Percent Banding - Data

State	ILEC	CLLI	Loop	Switched Lines	Total Loop cost	Cost Percentile	Zone
TN	South Central Bell-Tn	WTTWTNMA	$47.30	1,755	$996,138	194%	4
TN	South Central Bell-Tn	WHWLTNMA	$47.59	3,292	$1,879,995	195%	4
TN	South Central Bell-Tn	GLSNTNMA	$47.65	1,676	$958,337	195%	4
TN	South Central Bell-Tn	BLLSTNMA	$48.53	1,546	$900,329	199%	4
TN	South Central Bell-Tn	HNTGTNMA	$48.91	6,478	$3,802,068	200%	4
TN	South Central Bell-Tn	MEDNTNMA	$48.97	1,512	$888,512	200%	4
TN	South Central Bell-Tn	CLDGTNMA	$49.57	4,835	$2,876,051	203%	4
TN	South Central Bell-Tn	SOVLTNMT	$49.79	7,068	$4,222,989	204%	4
TN	South Central Bell-Tn	HLLSTNMT	$50.36	3,062	$1,850,428	206%	4
TN	South Central Bell-Tn	CRPLTNMA	$50.47	1,712	$1,036,856	207%	4
TN	South Central Bell-Tn	TROYTNMT	$50.54	2,578	$1,563,505	207%	4
TN	South Central Bell-Tn	WHVLTNMT	$52.03	1,314	$820,409	213%	4
TN	South Central Bell-Tn	GRNBTNMA	$52.09	2,667	$1,667,088	213%	4
TN	South Central Bell-Tn	JLLCTNMA	$52.31	3,129	$1,964,136	214%	4
TN	South Central Bell-Tn	DOVRTNMT	$52.36	4,633	$2,911,007	214%	4
TN	South Central Bell-Tn	EAVLTNMA	$52.67	1,154	$729,374	216%	4
TN	South Central Bell-Tn	CNVLTNMA	$52.72	5,032	$3,183,444	216%	4
TN	South Central Bell-Tn	FRDNTNMA	$52.72	1,731	$1,095,100	216%	4
TN	South Central Bell-Tn	SRVLTNMA	$53.03	2,679	$1,704,808	217%	4
TN	South Central Bell-Tn	GBSNTNMT	$53.31	767	$490,665	218%	4
TN	South Central Bell-Tn	CHTNTNMT	$54.03	4,032	$2,614,188	221%	4
TN	South Central Bell-Tn	BNTNTNMT	$54.10	3,095	$2,009,274	221%	4
TN	South Central Bell-Tn	CHRLTNMT	$54.58	2,106	$1,379,346	223%	4
TN	South Central Bell-Tn	FLVLTNMA	$54.59	2,345	$1,536,163	223%	4
TN	South Central Bell-Tn	BLGPTNMA	$55.53	4,340	$2,892,002	227%	4
TN	South Central Bell-Tn	WVRLTNMT	$55.98	4,563	$3,065,241	229%	4
TN	South Central Bell-Tn	LYLSTNMA	$56.63	3,413	$2,319,338	232%	4
TN	South Central Bell-Tn	SMTWTNMA	$56.87	1,324	$903,551	233%	4
TN	South Central Bell-Tn	CULKTNMA	$59.37	1,045	$744,500	243%	4
TN	South Central Bell-Tn	WRTRTNMT	$59.66	2,151	$1,539,944	244%	4
TN	South Central Bell-Tn	CNHMTNMA	$60.94	2,417	$1,767,504	249%	4
TN	South Central Bell-Tn	PLMYTNMA	$63.16	1,009	$764,741	258%	4
TN	South Central Bell-Tn	DCTRTNMT	$63.28	2,815	$2,137,598	259%	4
TN	South Central Bell-Tn	MCWNTNMT	$64.63	1,756	$1,361,883	264%	5
TN	South Central Bell-Tn	ACHLTNMT	$65.40	1,784	$1,400,083	268%	5
TN	South Central Bell-Tn	BGSNTNMA	$70.81	2,390	$2,030,831	290%	5
TN	South Central Bell-Tn	GDJTTNMA	$70.85	1,068	$908,014	290%	5
TN	South Central Bell-Tn	HRFRTNMA	$71.78	1,447	$1,246,388	294%	5
TN	South Central Bell-Tn	MSCWTNMA	$72.93	1,406	$1,230,475	298%	5
TN	South Central Bell-Tn	BTSPTNMA	$73.41	1,921	$1,692,247	300%	5
TN	South Central Bell-Tn	MDTNTNMA	$73.51	2,023	$1,784,529	301%	5
TN	South Central Bell-Tn	PTBGTNMA	$73.91	1,118	$991,577	302%	5
TN	South Central Bell-Tn	SNTFTNMA	$74.71	735	$658,942	306%	5
TN	South Central Bell-Tn	HRNBTNMT	$75.97	1,567	$1,428,540	311%	5
TN	South Central Bell-Tn	LYBGTNMT	$77.42	1,227	$1,139,932	317%	5
TN	South Central Bell-Tn	BLNCTNMT	$77.79	871	$813,061	318%	5
TN	South Central Bell-Tn	LYVLTNMA	$80.22	1,002	$964,565	328%	5

BellSouth Tennesseee Deaveraging
20 Percent Banding - Data

State	ILEC	CLLI	Loop	Switched Lines	Total Loop cost	Cost Percentile	Zone
TN	South Central Bell-Tn	VNLRTNMA	$81.25	841	$819,975	332%	5
TN	South Central Bell-Tn	CMCYTNMT	$82.57	762	$755,020	338%	5
TN	South Central Bell-Tn	SNVLTNMA	$82.94	2,286	$2,275,210	339%	5
TN	South Central Bell-Tn	HNNGTNMA	$83.09	1,261	$1,257,318	340%	5
TN	South Central Bell-Tn	HMPSTNMA	$97.19	532	$620,461	398%	6
TN	South Central Bell-Tn	WLPTTNMA	$100.47	507	$611,259	411%	6
TN	**South Central Bell-Tn**	**TOTAL**	$24.44	2,616,920	$767,433,426		