

WAHeads

	A	B	C	D	E	F	G	H	I	J	K
1											
2				Total		Percentage			Headcount Reduction		
3		Headcount Reduction	Reduction			Eli	Verizon		Eli	Verizon	VZ Wash
4											
5		Enterprise Markets									
6		Mass Markets/Commercial									
7		International & Wholesale									
8		Network									
9		Information Technology									
10		CFO									
11		Legal/Business Conduct									
12		Security									
13		Human Resources									
14		Communicatns/Public Affairs									
15		Corp Development & Strategy									
16		Other G&A									
17											
18		Total Headcount									
19		% Total									
20		* - Accounting reports that *****% of ESG wages and salaries and related employee benefits are allocated to Washington.									
21											
22						Avg S&W Rate	Adjusted S&W			VZ Wash (\$ M)	
23								VZ Wash			
24											
25		Enterprise Markets									
26											
27		International & Wholesale									
28											
29											
30											
31											
32											
33											
34		S&W Load Factor									
35		(Based on Verizon budgeting - includes miscellaneous expenses, materials, training, and other similar items)									
36											
37		***% factor in Adjusted S&W is an adjustment for the estimate that ***% of \$** in labor will go to capital.									

REDACTED

WAG&ASavings

	A	B	C	D	E	F
1	Project ELI					
2	Synergy Summary (\$M)					
3	<u>Nondiscounted Cash Flows</u>					
4						
5						
6		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Notes</u>
7	Enterprise Markets					
8	Synergy's					
9	Headcount					
10	Nonwage Costs					
11	Total Synergy's					
12	Integration Costs					
13	Severance					
14	Other Integration Costs					
15	Total Integration Costs					
16	Net Savings					
17	% HC Savings Achieved					
18						
19						
20	International & Wholesale					
21	Synergy's					
22	Headcount					
23	Nonwage Costs					
24	Total Synergy's					
25	Integration Costs					
26	Severance					
27	Other Integration Costs					
28	Total Integration Costs					
29	Net Savings					
30	% HC Savings Achieved					< - Synergies ramp-up over time as company gains experience.
31						
32	Total					
33	Synergy's					
34	Headcount					
35	Nonwage Costs					
36	Total Synergy's					
37	Integration Costs					
38	Severance					
39	Other Integration Costs					
40	Total Integration Costs					
41	Net Savings					
42						
43	Notes:					
44	- BLUE = Input					
45	- % HC Savings Achieved spread and Severance assumed to be equal					
46						
47	Factors:					
48	- Severance Factor		- Applied to Headcount Savings			(9-months severance)
49	- Nonwage Savings Factor		- Applied to Headcount Savings			(incremental misc. factor)
50	- Other Integration Cost Factor		- Applied to Severance			(1-time cost to re-org business)

REDACTED

WASynDisplay

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2															
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WASynDisplay

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
50				Capital											
51															
52				Synergy % Eli Revenue											
53															
54															
56			Ntwk	Domestic Transport Savings											
57				International Savings											
58				Vendor Savings (National Input)											SynDisplay2! Row 50
59				Vendor Savings											
60				LD Operations Savings											
61															
62				Capital - Benchmark Spending											
63				(Benchmark + Eli Base) / Eli Rev											
64															
65				Capital - PL to on-Net (Nat. Input)											SynDisplay2! Row 55
66				Capital - Private Line to on-Net											
67															
68				Capital - Avoided Procurement											
69				Capital - Avoided EA Build-out											
70				Capital - Avoided GSN Build-out											
71				Capital Carrying Charge											
72				Prop, Plnt & Equipmt											
73				Depreciation Expense											
74				Depr Reserve											
75				Net P P & E											
76															
77															
79			Other	Wholesale Ops Savings											
80				Headcount Savings											
81				Headcount Severance											
82				Other Integration											
83															
84															
86			Total	Revenue											
87				Net Expense											
88				EBITDA											
89															
90				Net Capital											
91															
92															

REDACTED

WASynDisplay

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
94															
95															
96															See WASynergy cell B38
97															
98				ESG - Go To Market											
99															
100				SMB											
101															
102				Total Revenue											
103															
104															
105				ESG - Go To Market											
106															
107				SMB											
108															
109				Cost of Sales											
110															
111															
112				Success-based Capital											
113															
114															
115				Vendor Savings											
116															
117				Capital - Private Line to on-Net											
118															
119				Headcount Savings											
120				Headcount Severance											
121				Other Integration											
122															
123				Revenue											
124				Net Expense											
125				EBITDA											
126															
127				Success-based Capital											
128															

WASynergy

	A	B	C	D	E	F	G	H
1	WA Synergy							
2								
3	Cost of Capital (%)							
4	Cost of Capital (K)	8.68%						
5								
6	Book Depreciation		2004	2005	2006	2007	2008	2009
7	Book Depr Lives	Average Years	0.0					
8		Years:	% Mix					
9								
10								
11								
12								
13								
14								
15		yr 1						
16		yr 2						
17		yr 3						
18		yr 4						
19		yr 5						
20		yr 6						
21		yr 7						
22		yr 8						
23		yr 9						
24		yr 10						
25		yr 11						
26								
27								
28								
29	Intrastate Regulated Factors:							
30		Source			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
31	ESG - Go To Market	WA Synergy Calc ESG 8-2-05						
32	SMB	WA Synergy Calc BSG						
33								
34	VZ WA - Washington Operations Factors:							
35	Regulated							
36	Intrastate							
37	In Franchise							
38	Weighted							

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