

## COST OF CAPITAL STUDY

**YIELD CAPITALIZATION  
2009 ASSESSMENT YEAR**

APPENDIX C

### TELECOMMUNICATIONS

<b>EQUITY RATE</b>						<b>11.50%</b>	
<b>CAPITAL ASSET PRICING MODEL</b>							PAGE
	CAPM Ex Post		7.40%				5
	CAPM Ex Ante		9.00%				6
<b>DIVIDEND GROWTH MODELS</b>							
	Value Line, based on Dividends Growth		10.75%				8
	Value Line, based on Earnings Growth		12.25%				9
	Value Line, based on Return on Equity		11.00%				10
<b>DEBT RATE</b>						<b>8.00%</b>	11
<b>MARKET CAPITAL STRUCTURE</b>							
	Equity	70%	x	11.50%	=	8.05%	3
	Debt	30%	x	8.00%	=	2.40%	3
	Marginal Tax Rate	38%	=	(1-.038)	x	2.40%	
						<u>1.49%</u>	
<b>WEIGHTED AVERAGE COST OF CAPITAL</b>						<b>9.54%</b>	

# SUPPORT FOR GUIDELINE COMPANIES

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

Capital Structure at Book Value

Company	Ticker	Beta	Fin'l Strength	Price Stability	Growth Persist	Earnings Predict	P/E Ratio	Div'd Yield	Common Stock	%	Preferred Stock	%	Long Term Debt	%	Total Debt & Equity
AT&T Inc	t	0.75	A+	100	10	75	11.7	6.50%	96,350,550,000	61.3%	-	0.0%	60,872,000,000	38.7%	157,222,550,000
Alaska Communication S	salsk	0.70	C+	75	40	15	33.4	16.07%	12,680,656	2.2%	-	0.0%	560,900,000	97.8%	573,580,656
BCE Inc	bce	0.75	B+	65	30	75	9.3	6.30%	12,334,954,875	54.9%	1,861,000,000	8.3%	8,281,000,000	36.8%	22,476,954,875
CenturyTel Inc.	ctl	0.70	B++	95	30	85	7.8	10.60%	3,163,462,000	49.0%	-	0.0%	3,294,100,000	51.0%	6,457,562,000
Cincinnati Bell	cbb	1.10	C+	55	5	25	5.3	nil	nmf	nmf	-	nmf	nmf	nmf	nmf
Comcast	cmcsa	1.00	B+	80	15	30	13.7	2.20%	40,444,157,520	57.3%	-	0.0%	30,200,000,000	42.7%	70,644,157,520
Consolidated Communicati	cnsl	0.95	C++	60	nmf	nmf	23.5	16.11%	144,493,199	14.1%	-	0.0%	880,300,000	85.9%	1,024,793,199
Embarq	eq	0.85	B	80	nmf	nmf	6.8	7.70%	nmf	nmf	-	nmf	nmf	nmf	nmf
Fairpoint Communicatio	frp	1.40	C	15	nmf	nmf	nmf	nmf	24,028,804	1.0%	-	0.0%	2,432,800,000	99.0%	2,456,828,804
Frontier	frt	0.90	B	90	25	30	11.6	15.10%	519,889,370	9.9%	-	0.0%	4,721,700,000	90.1%	5,241,589,370
Iowa Telecom Services	iwa	0.75	B	90	15	15	15.4	14.60%	205,617,492	29.6%	-	0.0%	489,000,000	70.4%	694,617,492
Level 3 Communications	lvl	1.50	B	10	10	50	nmf	nil	873,512,239	12.0%	-	0.0%	6,394,000,000	88.0%	7,267,512,239
Qwest Comm Intl	q	1.05	C+	55	15	25	8.4	9.50%	nmf	nmf	-	nmf	nmf	nmf	nmf
Shenandoah Telecom	shen	0.85	B++	55	70	35	17.6	1.70%	167,501,328	81.9%	-	0.0%	37,000,000	18.1%	204,501,328
Sprint Nextel	s	1.55	C++	25	nmf	20	nmf	nil	19,023,359,493	47.5%	-	0.0%	20,992,000,000	52.5%	40,015,359,493
Telephone & Data System	tds	0.80	B	80	30	40	35.0	1.60%	4,162,544,947	72.0%	900,000	0.0%	1,621,400,000	28.0%	5,784,844,947
Telus Corp	tu	0.65	B+	90	55	10	9.8	5.50%	5,917,267,600	54.5%	-	0.0%	4,947,388,000	45.5%	10,864,655,600
tw telecom	twtc	1.45	B	15	30	40	nmf	nil	597,112,000	30.4%	-	0.0%	1,365,600,000	69.6%	1,962,712,000
Verizon Communications	vz	0.70	A+	95	10	90	11.7	6.20%	51,130,252,080	52.1%	-	0.0%	46,959,000,000	47.9%	98,089,252,080
Windstream	win	0.90	B	80	nmf	nmf	7.8	12.90%	251,426,062	4.5%	-	0.0%	5,358,200,000	95.5%	5,609,626,062
<b>Mean</b>		<b>0.97</b>	<b>B</b>	<b>66</b>	<b>26</b>	<b>41</b>	<b>14.3</b>	<b>8.84%</b>	<b>13,842,518,216</b>	<b>37.3%</b>		<b>0.5%</b>	<b>11,729,787,529</b>	<b>62.2%</b>	
<b>Weighted Mean</b>									<b>235,322,809,665</b>	<b>53.9%</b>	<b>1,861,900,000</b>	<b>0.43%</b>	<b>199,406,388,000</b>	<b>45.7%</b>	<b>436,591,097,665</b>
<b>Median</b>										<b>47.5%</b>		<b>0.0%</b>		<b>52.5%</b>	
<b>Trimmed Mean</b>										<b>36.7%</b>		<b>0.0%</b>		<b>62.7%</b>	
<b>Max</b>										<b>81.9%</b>		<b>8.3%</b>		<b>99.0%</b>	
<b>Min</b>										<b>1.0%</b>		<b>0.0%</b>		<b>18.1%</b>	
							<b>Say</b>			<b>55%</b>		<b>0.0%</b>		<b>45%</b>	<b>100%</b>

## SUPPORT FOR CAPITAL STRUCTURE MARKET VALUE

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

Capital Structure at Market Value

Company	Ticker	Stock Average	Common Shares	Common Stock	%	Preferred Stock	%	Long Term Debt	%	Total Debt & Equity
AT&T Inc	t	26.787	5,893,000,000	157,853,826,667	71.1%	-	0.0%	64,092,097,379	28.9%	221,945,924,046
Alaska Communication Sys	alsk	9.568	43,726,399	418,388,761	44.6%	-	0.0%	520,346,930	55.4%	938,735,691
BCE Inc	bce	25.065	803,056,958	20,128,622,652	67.8%	1,861,000,000	6.3%	7,682,283,700	25.9%	29,671,906,352
CenturyTel Inc.	ctl	27.068	100,300,000	2,714,953,833	52.8%	-	0.0%	2,425,232,682	47.2%	5,140,186,516
Cincinnati Bell	cbb	2.343	227,881,466	534,002,235	24.2%	129,400,000	5.9%	1,540,220,299	69.9%	2,203,622,534
Comcast	cmcsa	15.785	2,880,638,000	45,470,870,830	60.9%	-	0.0%	29,227,786,797	39.1%	74,698,657,627
Consolidated Communicatio	cnsi	10.585	29,488,408	312,134,799	27.7%	-	0.0%	816,654,310	72.3%	1,128,789,109
Embarq	eq	32.048	142,400,000	4,563,682,667	51.8%	-	0.0%	4,252,430,455	48.2%	8,816,113,121
Fairpoint Communications	frp	4.005	88,995,572	356,427,266	13.6%	-	0.0%	2,256,908,560	86.4%	2,613,335,826
Frontier	fr	8.577	311,311,000	2,670,010,677	40.7%	-	0.0%	3,883,314,299	59.3%	6,553,324,976
Iowa Telecom Services	iwa	14.915	31,977,837	476,949,439	51.3%	-	0.0%	453,645,300	48.7%	930,594,739
Level 3 Communications	lvl	1.160	1,617,615,258	1,876,433,699	29.1%	-	0.0%	4,571,057,551	70.9%	6,447,491,250
Qwest Comm Intl	q	2.888	1,708,816,425	4,935,631,441	32.5%	-	0.0%	10,274,050,077	67.5%	15,209,681,518
Shenandoah Telecom	shen	22.108	23,625,011	522,309,618	93.8%	-	0.0%	34,324,900	6.2%	556,634,518
Sprint Nextel	s	3.315	2,864,963,779	9,497,354,927	39.7%	-	0.0%	14,414,033,874	60.3%	23,911,388,801
Telephone & Data Systems	tds	29.733	112,197,977	3,336,019,849	68.9%	900,000	0.0%	1,504,172,780	31.1%	4,841,092,629
Telus Corp	tu	29.642	319,300,000	9,464,584,167	67.3%	-	0.0%	4,589,691,848	32.7%	14,054,276,014
tw telecom	twtc	7.222	147,800,000	1,067,362,333	45.7%	-	0.0%	1,266,867,120	54.3%	2,334,229,453
Verizon Communications	vz	29.960	2,840,569,560	85,103,464,018	64.9%	-	0.0%	45,965,639,574	35.1%	131,069,103,592
Windstream	win	8.520	441,098,355	3,758,157,985	47.7%	-	0.0%	4,125,814,000	52.3%	7,883,971,985
			<b>Mean</b>		<b>49.8%</b>		<b>0.6%</b>		<b>49.6%</b>	
			<b>Weighted Mean</b>	<b>355,061,187,863</b>	<b>63.3%</b>	<b>1,991,300,000</b>	<b>0.35%</b>	<b>203,896,572,435</b>	<b>36.3%</b>	<b>560,949,060,297</b>
			<b>Median</b>		<b>49.5%</b>		<b>0.00%</b>		<b>50.5%</b>	
			<b>Trimmed Mean</b>		<b>49.4%</b>		<b>0.3%</b>		<b>50.0%</b>	
			<b>Max</b>		<b>93.8%</b>		<b>6.3%</b>		<b>86.4%</b>	
			<b>Min</b>		<b>13.6%</b>		<b>0.0%</b>		<b>6.2%</b>	
			<b>Target</b>		<b>70%</b>		<b>0%</b>		<b>30%</b>	<b>100%</b>

Source:

Stock Price: Yahoo

Market Value Debt: Bond Analysis

## SUPPORT FOR MARKET MULTIPLES

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

Company	Ticker	Stock Avg	Revenues	Multiple	Cash Flow	Multiple	Earnings	Multiple	Divds Decld	Multiple	Captl Spend	Multiple	Book Value	Multiple
AT&T Inc	t	26.787	21.050	1.3	5.56	4.8	2.16	12.4	1.60	16.7	3.34	8.0	16.35	1.6
Alaska Communication S	alask	9.568	8.910	1.1	1.86	5.1	0.16	59.8	0.86	11.1	2.74	3.5	0.29	33.0
BCE Inc	bce	25.065	18.070	1.4	5.06	5.0	1.85	13.5	0.60	41.8	3.05	8.2	15.36	1.6
CenturyTel Inc.	ctl	27.068	25.910	1.0	8.68	3.1	3.37	8.0	1.54	17.6	2.86	9.5	31.54	0.9
Cincinnati Bell	cbb	2.343	6.160	0.4	1.08	2.2	0.40	5.9	nil	nmf	1.01	2.3	(3.11)	nmf
Comcast	cmcsa	15.785	11.890	1.3	3.18	5.0	0.93	17.0	0.25	63.1	2.00	7.9	14.04	1.1
Consolidated Communica	cnsi	10.585	14.200	0.7	3.75	2.8	0.42	25.2	1.55	6.8	1.60	6.6	4.90	2.2
Embarq	eq	32.048	43.010	0.7	12.44	2.6	5.22	6.1	2.75	11.7	4.82	6.6	(4.27)	nmf
Fairpoint Communication	frp	4.005	14.320	0.3	2.10	1.9	(0.85)	nmf	1.17	3.4	3.35	1.2	0.27	14.8
Frontier	frt	8.577	7.190	1.2	2.39	3.6	0.57	15.0	1.00	8.6	0.93	9.2	1.67	5.1
Iowa Telecom Services	iwa	14.915	7.840	1.9	2.44	6.1	0.72	20.7	1.62	9.2	0.89	16.8	6.43	2.3
Level 3 Communications	lvl	1.160	2.660	0.4	0.40	2.9	(0.19)	nmf	nil	nmf	0.28	4.1	0.54	2.1
Qwest Comm Intl	q	2.888	7.890	0.4	1.78	1.6	0.39	7.4	0.32	9.0	1.04	2.8	(0.85)	nmf
Shenandoah Telecom	shen	22.108	6.110	3.6	2.38	9.3	1.12	19.7	0.30	73.7	2.78	8.0	7.09	3.1
Sprint Nextel	s	3.315	12.080	0.27	2.22	1.5	(0.64)	nmf	nil	nmf	1.30	2.6	6.64	0.5
Telephone & Data System	tds	29.733	45.450	0.7	7.55	3.9	0.80	37.2	0.41	72.5	6.50	4.6	37.10	0.8
Telus Corp	tu	29.642	24.887	1.2	7.30	4.1	2.88	10.3	1.48	20.1	4.80	6.2	18.53	1.6
tw telecom	twtc	7.222	7.840	0.9	1.99	3.6	0.06	120.4	nil	nmf	1.86	3.9	4.04	1.8
Verizon Communications	vz	29.960	34.250	0.9	7.65	3.9	2.55	11.7	1.76	17.0	6.05	5.0	18.00	1.7
Windstream	win	8.520	7.220	1.2	2.11	4.0	0.98	8.7	1.00	8.5	0.70	12.2	0.57	14.9
		<b>Mean</b>		<b>1.0</b>		<b>3.9</b>		<b>23.5</b>		<b>24.4</b>		<b>6.5</b>		<b>5.3</b>
		<b>Median</b>		<b>1.0</b>		<b>3.8</b>		<b>13.5</b>		<b>14.2</b>		<b>6.4</b>		<b>1.8</b>
		<b>Trimmed Mean</b>		<b>0.9</b>		<b>3.7</b>		<b>18.2</b>		<b>22.4</b>		<b>6.2</b>		<b>3.7</b>
		<b>Max</b>		<b>3.6</b>		<b>9.3</b>		<b>120.4</b>		<b>73.7</b>		<b>16.8</b>		<b>33.0</b>
		<b>Min</b>		<b>0.27</b>		<b>1.5</b>		<b>5.9</b>		<b>3.4</b>		<b>1.2</b>		<b>0.5</b>
		<b>Std Dev</b>		<b>0.7</b>		<b>1.8</b>		<b>28.4</b>		<b>24.2</b>		<b>3.7</b>		<b>8.4</b>
		<b>Say</b>		<b>1.00</b>		<b>3.70</b>		<b>13.00</b>		<b>nmf</b>		<b>6.25</b>		<b>3.00</b>

**SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT  
CAPITAL ASSET PRICING MODEL**

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

**Ex Post**

$$K_e = R_f + B (R_m - R_f)$$

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**Ke = Cost of Equity** **7.40%**

to page 1

Rf =	risk free rate	3.00%
Rp =	risk premium	4.40%
B =	Beta	1.00

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**Rp = Risk Premium (Rm-Rf)** **4.4%**

to above

**2009 Ibbotson Risk Premia Over Time Report, Page 4**

	9.6% Large Company Geometric Rm
less	5.2% Average Historical Rf Income Return

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**Rf = Risk Free Rate** **3.00%**

to above

**2009 Ibbotson Risk Premia Over Time Report, Page 5**

Long Term (20 years) US Treasury Bond Yield	3.0%
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**Value Line Investment Survey, Selected Yields January 9, 2009, page 3757**

US Treasury Securities year end data	
5 year	1.44%
10 year	2.05%
30 year	2.56%
30 year Zero	2.42%

**Federal Reserve Statistical Release (<http://www.federalreserve.gov/Releases/H15/Current/>)**

January 5, 2009 as of 12-31-08

Treasury Constant Maturities	
5 year	1.55%
10 year	2.25%
20 year	3.05%
30 year	2.69%
20 year TIPS	2.36%
	0.69%
	Inflation Indication

# SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT CAPITAL ASSET PRICING MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE  
2009 ASSESSMENT YEAR  
TELECOMMUNICATIONS

**Ex Ante**  
**Ke = Rf + B (Rp)**

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**Ke = Cost of Equity** **9.00%**

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to page 1

Rm =	rate of return	9.00%	
Rf =	risk free rate	3.00%	
Rp =	risk premium	6.00%	
B =	Beta	1.00	

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**Rp = Risk Premium** **6.0%**

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to above

<b>Shannon Pratt and Roger Grabowski</b>	3.5 - 6%	
Cost of Capital, Applications and Examples, Third Edition, 2008, Page 113	(est. 5%)	
<b>Dr. Aswath Damodaran</b>	6.43%	chart page 16
<a href="http://pages.stern.nyu.edu/~adamodar/">http://pages.stern.nyu.edu/~adamodar/</a> 2008 Implied Premium		
<b>Ibbotson</b>	5.7%	
2009 Risk Premia Over Time Report, Page 5 Long-horizon expected ERP (supply side)		
<b>John Graham and Campbell Harvey</b>	4.12%	November 2008
The Equity Risk Premium in January 2008:	3.46%	10 year average
Evidence from the Global CEO Outlook Survey	2.39 - 4.65%	10 year average range

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**Rf = Risk Free Rate** **3.00%**

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to above

**2009 Ibbotson Risk Premia Over Time Report, Page 5**

Long Term (20 years) US Treasury Bond Yield	3.0%
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**Value Line Investment Survey, Selected Yields January 9, 2009, page 3757**

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30 year	2.69%
20 year TIPS	2.36%
	0.69%
	Inflation Indication

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## BETA CALCULATION FOR CAPM

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

Company	Ticker	Value Line
AT&T Inc	t	0.75
Alaska Communication Sys	alsk	0.70
BCE Inc	bce	0.75
CenturyTel Inc.	ctl	0.70
Cincinnati Bell	cbb	1.10
Comcast	cmcsa	1.00
Consolidated Communications	cnsi	0.95
Embarq	eq	0.85
Fairpoint Communications	frp	1.40
Frontier	ftr	0.90
Iowa Telecom Services	iwa	0.75
Level 3 Communications	lvl3	1.50
Qwest Comm Intl	q	1.05
Shenandoah Telecom	shen	0.85
Sprint Nextel	s	1.55
Telephone & Data Systems Inc	tds	0.80
Telus Corp	tu	0.65
tw telecom	twtc	1.45
Verizon Communications	vz	0.70
Windstream	win	0.90
	<b>Mean</b>	<b>0.97</b>
	<b>Median</b>	<b>0.88</b>
	<b>Trimmed Mean</b>	<b>0.95</b>
	<b>Max</b>	<b>1.55</b>
	<b>Min</b>	<b>0.65</b>

Source: Value Line-five year, weekly

**Say**

**1.00**

**SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT  
DIVIDEND GROWTH MODEL**

WASHINGTON STATE DEPARTMENT OF REVENUE  
2009 ASSESSMENT YEAR  
TELECOMMUNICATIONS

**Based on Dividend Growth**

$$K_e = (D_1 / P_0) + G$$

Ke = Cost of Equity  
D1 = Expected Dividends  
Po = Current Price  
G = Sustainable Growth

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	Dividend Growth (G)	Ke
AT&T Inc	t	26.787	1.64	6.12%	5.50%	11.62%
Alaska Communication Sys	alsk	9.568	0.86	8.99%	nmf	nmf
BCE Inc	bce	25.065	1.25	4.99%	10.50%	15.49%
CenturyTel Inc.	ctl	27.068	2.80	10.34%	nmf	nmf
Cincinnati Bell	cbb	2.343	nil	nmf	0.00%	nmf
Comcast	cmcsa	15.785	0.25	1.58%	0.00%	1.58%
Consolidated Communications H	cnsi	10.585	0.78	7.37%	nmf	nmf
Embarq	eq	32.048	3.05	9.52%	10.50%	20.02%
Fairpoint Communications	frp	4.005	nil	nmf	nmf	nmf
Frontier	ftr	8.577	1.00	11.66%	0.00%	11.66%
Iowa Telecom Services	iwa	14.915	1.62	10.86%	0.00%	10.86%
Level 3 Communications	lvl	1.160	nil	nmf	nmf	nmf
Qwest Comm Intl	q	2.888	0.32	11.08%	nmf	nmf
Shenandoah Telecom	shen	22.108	0.33	1.49%	10.00%	11.49%
Sprint Nextel	s	3.315	nil	nmf	6.00%	nmf
Telephone & Data Systems Inc	tds	29.733	0.43	1.45%	0.00%	1.45%
Telus Corp	tu	29.642	1.56	5.26%	8.50%	13.76%
tw telecom	twtc	7.222	nil	nmf	0.00%	nmf
Verizon Communications	vz	29.960	1.84	6.14%	1.00%	7.14%
Windstream	win	8.520	1.00	11.74%	0.00%	11.74%
					<b>Mean</b>	<b>10.62%</b>
					<b>Median</b>	<b>11.62%</b>
					<b>Trimmed Mean</b>	<b>10.59%</b>
					<b>Max</b>	<b>20.02%</b>
					<b>Min</b>	<b>1.45%</b>
					<b>Say</b>	<b>10.75%</b>

Source: Value Line Projections to 10-12

## SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT DIVIDEND GROWTH MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

### Based on Earnings Growth

$$K_e = (D1 / P_o) + G$$

Ke = Cost of Equity  
 D1 = Expected Dividends  
 Po = Current Price  
 G = Sustainable Growth

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	Earnings Growth (G)	Ke
AT&T Inc	t	26.787	1.64	6.12%	6.50%	12.62%
Alaska Communication Sys	alsk	9.568	0.86	8.99%	3.00%	11.99%
BCE Inc	bce	25.065	1.25	4.99%	7.50%	12.49%
CenturyTel Inc.	ctl	27.068	2.80	10.34%	-2.50%	7.84%
Cincinnati Bell	cbb	2.343	nil	nfmf	8.50%	nfmf
Comcast	cmcsa	15.785	0.25	1.58%	18.00%	19.58%
Consolidated Communications	cnsl	10.585	0.78	7.37%	nfmf	nfmf
Embarq	eq	32.048	3.05	9.52%	2.00%	11.52%
Fairpoint Communications	frp	4.005	nil	nfmf	7.00%	nfmf
Frontier	fttr	8.577	1.00	11.66%	5.00%	16.66%
Iowa Telecom Services	iwa	14.915	1.62	10.86%	-7.50%	3.36%
Level 3 Communications	lvl3	1.160	nil	nfmf	nfmf	nfmf
Qwest Comm Intl	q	2.888	0.32	11.08%	nfmf	nfmf
Shenandoah Telecom	shen	22.108	0.33	1.49%	15.00%	16.49%
Sprint Nextel	s	3.315	nil	nfmf	nfmf	nfmf
Telephone & Data Systems Inc	tds	29.733	0.43	1.45%	6.00%	7.45%
Telus Corp	tu	29.642	1.56	5.26%	7.00%	12.26%
tw telecom	twtc	7.222	nil	nfmf	nfmf	nfmf
Verizon Communications	vz	29.960	1.84	6.14%	6.00%	12.14%
Windstream	win	8.520	1.00	11.74%	2.50%	14.24%
<b>Mean</b>						<b>12.20%</b>
<b>Median</b>						<b>12.26%</b>
<b>Trimmed Mean</b>						<b>12.34%</b>
<b>Max</b>						<b>19.58%</b>
<b>Min</b>						<b>3.36%</b>
<b>Say</b>						<b>12.25%</b>

Source: Value Line Projections to 10-12

## SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT DIVIDEND GROWTH MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

### Based on Return on Equity

**Ke = (D1 / Po) + G**  
**Ke** = Cost of Equity  
**D1** = Expected Dividends  
**Po** = Current Price  
**G** = Sustainable Growth  
**b** = Retained Earnings (plowback)  
**ROE** = Return on Equity

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	b (1-payout ratio)	ROE	Growth (b*ROE)	Ke
AT&T Inc	t	26.787	1.64	6.12%	26.0%	13.40%	3.48%	9.61%
Alaska Communication Sys	alsk	9.568	0.86	8.99%	nmf	57.70%	nmf	
BCE Inc	bce	25.065	1.25	4.99%	60.0%	12.30%	7.38%	12.37%
CenturyTel Inc.	ctl	27.068	2.80	10.34%	56.0%	11.00%	6.16%	16.50%
Cincinnati Bell	cbb	2.343	nil	nmf	89.0%	nmf	nmf	
Comcast	cmcsa	15.785	0.25	1.58%	80.0%	6.80%	5.44%	7.02%
Consolidated Communicatio	cnsl	10.585	0.78	7.37%	nmf	8.50%	nmf	
Embarq	eq	32.048	3.05	9.52%	47.0%	nmf	nmf	
Fairpoint Communications	frp	4.005	nil	nmf	nmf	nmf	nmf	
Frontier	fttr	8.577	1.00	11.66%	nmf	35.20%	nmf	
Iowa Telecom Services	iwa	14.915	1.62	10.86%	nmf	11.40%	nmf	
Level 3 Communications	lvl3	1.160	nil	nmf	nmf	nmf	nmf	
Qwest Comm Intl	q	2.888	0.32	11.08%	nmf	nmf	nmf	
Shenandoah Telecom	shen	22.108	0.33	1.49%	75.0%	15.70%	11.78%	13.27%
Sprint Nextel	s	3.315	nil	nmf	nmf	nmf	nmf	
Telephone & Data Systems	tds	29.733	0.43	1.45%	51.0%	2.00%	1.02%	2.47%
Telus Corp	tu	29.642	1.56	5.26%	49.0%	15.50%	7.60%	12.85%
tw telecom	twtc	7.222	nil	nmf	nmf	1.40%	nmf	
Verizon Communications	vz	29.960	1.84	6.14%	32.0%	13.00%	4.16%	10.30%
Windstream	win	8.520	1.00	11.74%	-2.0%	nmf	nmf	
							<b>Mean</b>	<b>10.55%</b>
							<b>Median</b>	<b>11.33%</b>
							<b>Trimmed Mean</b>	<b>10.90%</b>
							<b>Max</b>	<b>16.50%</b>
							<b>Min</b>	<b>2.47%</b>
							<b>Say</b>	<b>11.00%</b>

## SUPPORT FOR DEBT RATING AND DEBT YIELD RATE

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

Company	Ticker	Mergent's Ratings	S&P Ratings	WAYTM
AT&T Inc	t	A2	A	5.85%
Alaska Communication Sys	alsk		B+	
BCE Inc	bce		BB+	
CenturyTel Inc.	ctl		BBB-	12.98%
Cincinnati Bell	cbb		B+	
Comcast	cmcsa	Baa2	BBB+	6.78%
Consolidated Communications Hol	cnsl		B+	
Embarq	eq		BBB-	12.31%
Fairpoint Communications	frp	B3	BB	
Frontier	fttr		BB	
Iowa Telecom Services	iwa		B+	
Level 3 Communications	lvl3		B-	
Qwest Comm Intl	q	Ba1	BB	12.89%
Shenandoah Telecom	shen		NR	
Sprint Nextel	s	Ba2	BB	16.84%
Telephone & Data Systems Inc	tds		BBB-	
Telus Corp	tu		BBB+	
tw telecom	twtc		B	
Verizon Communications	vz	A3	A	6.44%
Windstream	win		BB+	
<b>Overall Average Debt Rating</b>		<b>Baa3</b>	<b>BB+</b>	<b>10.58%</b>

bond analysis, A-BBB bonds

### Guideline Companies 20+ Year Maturities, All Ratings

**8.00%**

bond analysis page 12

### Mergent's Bond Record January 2009, page 264

Corporate	Aaa	Aa	A	Baa
October	6.28%	6.79%	7.58%	8.88%
November	6.12%	6.73%	7.68%	9.21%
December	5.06%	5.81%	6.70%	8.45%
<b>4th Qtr Average</b>	<b>5.82%</b>	<b>6.44%</b>	<b>7.32%</b>	<b>8.85%</b>
<b>2008 Average</b>	<b>5.63%</b>	<b>6.09%</b>	<b>6.59%</b>	<b>7.45%</b>
Public Utilities	Aaa	Aa	A	Baa
October		6.95%	7.56%	8.58%
November		6.83%	7.60%	8.98%
December		5.93%	6.54%	8.13%
<b>4th Qtr Average</b>		<b>6.57%</b>	<b>7.23%</b>	<b>8.56%</b>
<b>2008 Average</b>		<b>6.18%</b>	<b>6.53%</b>	<b>7.25%</b>
Industrials	Aaa	Aa	A	Baa
October	6.28%	6.63%	7.60%	9.17%
November	6.12%	6.63%	7.76%	9.44%
December	5.06%	5.68%	6.85%	8.76%
<b>4th Qtr Average</b>	<b>5.82%</b>	<b>6.31%</b>	<b>7.40%</b>	<b>9.12%</b>
<b>2008 Average</b>	<b>5.63%</b>	<b>6.00%</b>	<b>6.64%</b>	<b>7.65%</b>

### Debt Yield Rate

**8.00%**

to page 1

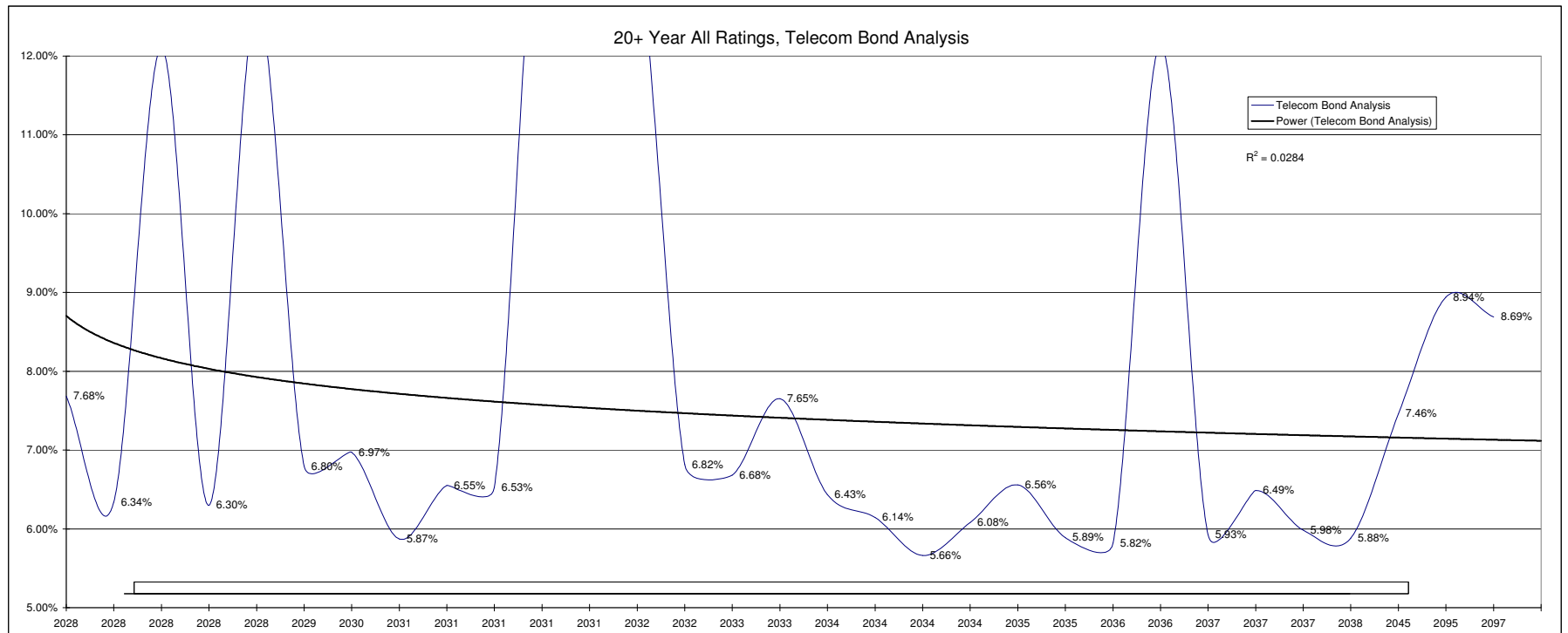
# Telecom Bond Analysis

Company	type	Call	coupon	maturity	Price 12/08	Issued / Book	current yield	yield to maturity	Weighted A Rating	Mkt Val	Mkt : Book	Embedded I	Debt Service	WAYTM	WAYTM	S&P YTM
AT&T Corp	sr notes	100	7.300	2011	103.89 \$	2,750,000,000	7.027%	4.56%	0.13% A	\$ 2,856,975,000	103.89%		200,750,000	0.001321874	0.003095949	5.84
AT&T Corp	Notes	z100	6.500	2013	104.45 \$	147,000,000	6.223%	5.08%	0.01% A	\$ 153,541,500	104.45%		9,555,000	0.001844339	0.001844339	5.23
AT&T Corp	Notes	z100	6.500	2029	96.85 \$	255,000,000	6.711%	6.80%	0.02% A	\$ 246,967,500	96.85%		16,575,000	0.000182752	0.00042802	6.8
AT&T Corp	sr notes	100	8.000	2031	125.61 \$	2,750,000,000	6.369%	5.87%	0.17% A	\$ 3,454,275,000	125.61%		220,000,000	0.001702885	0.0039883	5.93
AT&T Wireless	sr notes	z100	8.750	2011	103.52 \$	3,000,000,000	7.607%	5.37%	0.17% A	\$ 3,105,600,000	103.52%		236,250,000	0.001698851	0.003978851	5.95
AT&T Wireless	sr notes	z100	8.125	2012	107.23 \$	2,000,000,000	7.577%	4.98%	0.10% A	\$ 2,144,600,000	107.23%		162,500,000	0.001049869	0.002458881	5.45
AT&T Wireless	sr notes	z100	8.750	2031	125.00 \$	2,500,000,000	7.000%	6.55%	0.17% A	\$ 3,125,000,000	125.00%		128,750,000	0.001726794	0.004044298	6.57
AT&T Inc	Global Note	z100	4.950	2013	100.55 \$	2,500,000,000	4.923%	4.78%	0.13% A	\$ 2,513,750,000	100.55%		213,750,000	0.001258988	0.002948656	4.79
AT&T Inc	Notes	z100	6.800	2036	113.07 \$	600,000,000	6.014%	5.82%	0.04% A	\$ 678,420,000	113.07%		40,800,000	0.000368268	0.000862515	5.82
AT&T Inc	Global Note	z100	6.500	2037	107.69 \$	2,000,000,000	6.036%	5.93%	0.12% A	\$ 2,153,800,000	107.69%		130,000,000	0.001249912	0.002927399	5.93
AT&T Inc	Global Note	z100	6.300	2038	105.71 \$	2,750,000,000	5.960%	5.88%	0.17% A	\$ 2,907,025,000	105.71%		173,250,000	0.001705771	0.003995059	5.88
Bell South Capital Funding	note	NC	6.040	2026	88.55 \$	300,000,000	6.82%	7.25%	0.02% A	\$ 265,650,000	88.55%		18,120,000	0.000229425	0.000537334	7.19
Bell South Capital Funding	note	100	7.875	2030	109.71 \$	1,000,000,000	7.18%	6.97%	0.07% A	\$ 1,097,100,000	109.71%		78,750,000	0.000735099	0.001721665	6.98
Bell South Capital Funding	note	Z100	7.120	2097	81.96 \$	500,000,000	8.69%	8.69%	0.05% A	\$ 409,800,000	81.96%		35,600,000	0.000458103	0.001072916	8.68
Bell South Corp	note	Z100	6.000	2011	102.04 \$	1,000,000,000	5.88%	4.56%	0.05% A	\$ 1,020,400,000	102.04%		60,000,000	0.000481083	0.001126736	5.25
Bell South Corp	note	Z100	4.750	2012	98.1 \$	800,000,000	4.84%	5.59%	0.05% A	\$ 784,800,000	98.10%		38,000,000	0.000471179	0.00110354	5.29
Bell South Corp	note	Z100	5.200	2014	97.95 \$	1,500,000,000	5.34%	5.89%	0.09% A	\$ 1,460,250,000	97.95%		78,000,000	0.000931248	0.002181061	5.74
Bell South Corp	note	Z100	6.875	2031	103.96 \$	750,000,000	6.61%	6.53%	0.05% A	\$ 779,700,000	103.96%		51,562,500	0.000516224	0.001209041	6.53
Bell South Corp	note	Z100	6.550	2034	101.4 \$	700,000,000	6.46%	6.43%	0.05% A	\$ 709,800,000	101.40%		45,850,000	0.000474999	0.001112487	6.43
Bell South Corp	note	Z100	6.000	2034	98.22 \$	700,000,000	6.11%	6.14%	0.05% A	\$ 687,540,000	98.22%		42,000,000	0.000453403	0.001061909	6.13
SBC Communications	Global Note	100	7.000	2012	100.43 \$	60,000,000	6.97%	6.81%	0.00% A	\$ 60,258,000	100.43%		4,200,000	0.000043069	0.001000872	6.87
SBC Communications	Global Note	Z100	6.250	2011	102.24 \$	1,250,000,000	6.11%	4.67%	0.06% A	\$ 1,278,000,000	102.24%		78,125,000	0.00061546	0.00144146	5.04
SBC Communications	Global Note	Z100	5.875	2012	101.89 \$	1,000,000,000	5.77%	5.05%	0.05% A	\$ 1,018,900,000	101.89%		58,750,000	0.000532668	0.001247554	5.18
SBC Communications	Global Note	Z100	5.875	2012	102.0 \$	1,000,000,000	5.76%	4.99%	0.05% A	\$ 1,020,300,000	102.03%		58,750,000	0.000526327	0.001232702	5.3
SBC Communications	Global Note	z100	5.625	2016	100.4 \$	1,250,000,000	5.60%	5.54%	0.07% NR	\$ 1,255,500,000	100.44%		70,312,500	0.000730582	0.001711084	5.54
SBC Communications	Global Note	Z100	5.875	2034	102.77 \$	1,000,000,000	5.72%	5.66%	0.06% A	\$ 1,027,700,000	102.77%		58,750,000	0.000597189	0.001398667	6.78
SBC Communications	Global Note	z100	6.450	2034	104.66 \$	750,000,000	6.16%	6.08%	0.05% A	\$ 784,950,000	104.66%		48,375,000	0.000480809	0.001126096	6.08
Southwest'n Bell Tel	deb	NC	7.000	2015	104.48 \$	250,000,000	6.70%	6.02%	0.02% A	\$ 261,200,000	104.48%		17,500,000	0.000158681	0.000371644	6.19
Southwest'n Bell Tel	deb	102.83	7.200	2026	90.75 \$	300,000,000	7.93%	8.25%	0.03% A	\$ 272,250,000	90.75%		21,600,000	0.000260851	0.000610935	8.20
Southwest'n Bell Tel	deb	103.46	7.375	2027	93.04 \$	150,000,000	7.93%	8.13%	0.01% A	\$ 139,560,000	93.04%		11,062,500	0.000128667	0.000301348	8.10
Southwest'n Bell Tel	deb	102.58	7.000	2027	88.01 \$	100,000,000	7.95%	8.33%	0.01% A	\$ 88,010,000	88.01%		7,000,000	0.000087789	0.000205611	8.28
TCI Communications	Sr Deb	NC	8.750	2015	106.44 \$	750,000,000	8.22%	7.29%	0.06% BBB+	\$ 798,300,000	106.44%		65,625,000	0.000576330	0.001349813	7.53
TCI Communications	Sr Deb	NC	7.875	2026	103.76 \$	600,000,000	7.59%	7.47%	0.05% BBB+	\$ 622,560,000	103.76%		47,250,000	0.000472697	0.001107097	7.48
TCI Communications	Sr Deb	NC	7.125	2028	94.57 \$	300,000,000	7.53%	7.68%	0.02% BBB+	\$ 283,710,000	94.57%		21,375,000	0.000243100	0.000569362	7.68
Tele Communications	Sr Deb	NC	9.800	2012	105.42 \$	600,000,000	9.30%	7.35%	0.05% BBB+	\$ 632,520,000	105.42%		58,800,000	0.000464928	0.001088901	7.71
Tele Communications	Sr Deb	NC	8.750	2013	102.82 \$	550,000,000	7.66%	6.94%	0.04% BBB+	\$ 565,510,000	102.82%		43,312,500	0.000402503	0.000942697	7.19
Tele Communications	Sr Deb	NC	10.125	2022	120.66 \$	65,000,000	8.39%	7.52%	0.01% BBB+	\$ 78,429,000	120.66%		6,812,500	0.000051534	0.000120696	7.58
Tele Communications	Sr Deb	NC	9.875	2022	118.75 \$	100,000,000	8.32%	7.51%	0.01% BBB	\$ 118,750,000	118.75%		9,875,000	0.000079198	0.000185489	7.56
Bell South Telecommunicati	deb	NC	6.300	2015	102.07 \$	313,000,000	6.17%	5.85%	0.02% A	\$ 319,479,100	102.07%		19,719,000	0.000193054	0.000452149	5.93
Bell South Telecommunicati	deb	NC	7.000	2025	105.70 \$	300,000,000	6.62%	6.41%	0.02% A	\$ 317,100,000	105.70%		21,000,000	0.000202752	0.000474863	6.43
Bell South Telecommunicati	deb	Z100	6.375	2028	100.41 \$	500,000,000	6.35%	6.34%	0.03% A	\$ 502,050,000	100.41%		31,875,000	0.000334107	0.000782507	6.33
Bell South Telecommunicati	deb	NC	5.850	2045	80.09 \$	300,000,000	7.30%	7.46%	0.02% A	\$ 240,270,000	80.09%		17,550,000	0.000253018	0.000552775	7.45
Bell South Telecommunicati	deb	NC	7.000	2095	78.32 \$	500,000,000	8.94%	8.94%	0.05% A	\$ 391,600,000	78.32%		35,000,000	0.00047133	0.001103894	8.93
	<b>43 Book Val</b>	<b>4300</b>	<b>sum</b>		<b>4384.61 \$</b>	<b>40,490,000,000</b>	<b>Percent of book</b>	<b>101.97%</b>	<b>2.50%</b>	<b>\$ 42,631,900,100</b>	<b>105.29%</b>	<b>6.90% \$</b>	<b>2,792,450,250</b>		<b>5.852%</b>	
CenturyTel Inc	sr notes	z100	7.875	2012	86.00 \$	500,000,000	9.16%	15.00%	0.08% BBB-	\$ 430,000,000	86.00%		39,375,000	0.000790659	0.035284242	12.54
CenturyTel Inc	sr notes	z100	5.500	2013	78.00 \$	250,000,000	7.05%	13.85%	0.04% BBB-	\$ 195,000,000	78.00%		13,750,000	0.000385122	0.016294082	12.88
CenturyTel Inc	sr notes	z100	5.000	2015	72.00 \$	350,000,000	6.94%	12.30%	0.05% BBB-	\$ 252,000,000	72.00%		17,500,000	0.000454049	0.020262558	11.77
CenturyTel Inc	sr notes	z100	6.000	2017	72.00 \$	500,000,000	8.33%	11.84%	0.06% BBB-	\$ 360,000,000	72.00%		30,000,000	0.000624072	0.027850063	11.55
CenturyTel Entr	sr notes	z100	7.200	2025	64.00 \$	100,000,000	11.25%	12.59%	0.01% BBB-	\$ 64,000,000	64.00%		7,200,000	0.000132764	0.005924794	12.36
CenturyTel Entr	Deb g	z100	6.875	2028	62.00 \$	425,000,000	11.09%	12.11%	0.05% BBB-	\$ 263,500,000	62.00%		29,218,750	0.000542616	0.024214958	12.05
	<b>6</b>	<b>600</b>	<b>sum</b>		<b>434.00 \$</b>	<b>2,125,000,000</b>	<b>Percent of book</b>	<b>72.33%</b>	<b>0.29%</b>	<b>\$ 1,564,500,000</b>	<b>73.62%</b>	<b>6.45% \$</b>	<b>137,043,750</b>		<b>12.983%</b>	
Cincinnati Bell Tel	Gtd Deb	z100	6.300	2028	63.00 \$	150,000,000	10.00%	6.30%	0.01% BB	\$ 94,500,000	63.00%		9,450,000	0.00009965096	0.005943396	10.92
Cincinnati Bell Tel	sr notes	103.625	7.250	2013	88.00 \$	500,000,000	8.24%	7.25%	0.04% B-	\$ 440,000,000	88.00%		36,250,000	0.00038225897	0.022798742	10.45
Cincinnati Bell Tel	sr notes	104.188	8.375	2014	77.00 \$	640,000,000	10.88%	8.38%	0.06% B-	\$ 492,800,000	77.00%		53,600,000	0.00056521602	0.033710692	15.28
Cincinnati Bell Tel	sr notes	z100	7.000	2015	76.50 \$	250,000,000	9.15%	7.00%	0.02% B-	\$ 191,250,000	76.50%		17,500,000	0.00018453881	0.011006289	12.85
Cincinnati Bell Inc	Sec Notes	nc	7.250	2023	74.00 \$	50,000,000	9.80%	7.25%	0.00% BB-	\$ 37,000,000	74.00%		3,625,000	0.00003822590	0.002279874	10.96
	<b>5</b>	<b>500</b>	<b>sum</b>		<b>378.50 \$</b>	<b>1,590,000,000</b>	<b>Percent of book</b>	<b>75.70%</b>	<b></b>							

Qwest Cap Funding	notes	z100	7.250	2011	84.00 \$	2,250,000,000	8.63%	20.72%	0.49%	B+	\$	1,890,000,000	84.00%	163,125,000	0.00491683	0.061978979	17.40
Qwest Cap Funding	notes	z100	7.625	2021	66.50 \$	500,000,000	11.47%	13.53%	0.07%	B+	\$	332,500,000	66.50%	38,125,000	0.00071336	0.008992243	13.13
Qwest Cap Funding	notes	z100	7.750	2031	62.50 \$	1,000,000,000	12.40%	13.01%	0.14%	B+	\$	625,000,000	62.50%	77,500,000	0.00137158	0.017289467	12.97
Qwest Corp	notes	z100	8.775	2011	92.00 \$	575,000,000	8.56%	14.16%	0.09%	BBB-	\$	529,000,000	92.00%	45,281,250	0.00085876	0.010825058	11.16
Qwest Corp	notes	z100	8.875	2012	92.50 \$	1,500,000,000	9.59%	12.55%	0.20%	BBB-	\$	1,387,500,000	92.50%	133,125,000	0.00198567	0.025030263	12.00
Qwest Corp	notes	z100	7.625	2015	82.00 \$	400,000,000	9.30%	12.32%	0.05%	BBB-	\$	328,000,000	82.00%	30,500,000	0.00051973	0.006551498	12.00
Qwest Communications	sr notes	z100	7.500	2014	71.50 \$	500,000,000	10.49%	17.08%	0.09%	B+	\$	357,500,000	71.50%	37,500,000	0.00090506	0.011351312	16.26
Qwest Communications	sr notes	z100	7.500	2014	71.50 \$	798,000,000	10.49%	17.08%	0.14%	B+	\$	570,570,000	71.50%	59,850,000	0.001437208	0.018116693	16.26
	<b>8 Book Value</b>	<b>800</b>		<b>sum</b>	<b>622.50 \$</b>	<b>7,523,000,000</b>	<b>Percent of book</b>	<b>77.81%</b>			<b>\$</b>	<b>6,020,070,000</b>	<b>80.02%</b>	<b>7.78% \$</b>	<b>585,006,250</b>		<b>16.014%</b>
Sprint Capital	sr note	Z100	7.625	2011	83.50 \$	1,650,000,000	9.13%	21.65%	0.38%	BBB-	\$	1,377,750,000	83.50%	125,812,500	0.003767044	0.032183109	18.19
Sprint Capital	Notes	Z100	8.375	2012	80.00 \$	2,000,000,000	10.47%	19.18%	0.40%	BBB-	\$	1,600,000,000	80.00%	167,500,000	0.004044482	0.034553362	17.50
Sprint Capital	Notes	Z100	6.900	2019	71.00 \$	1,750,000,000	9.72%	12.23%	0.23%	BBB-	\$	1,242,500,000	71.00%	120,750,000	0.002256144	0.01927499	12.04
Sprint Capital	Notes	Z100	6.875	2028	59.50 \$	2,500,000,000	11.55%	12.63%	0.33%	BBB-	\$	1,487,500,000	59.50%	171,875,000	0.003328532	0.02843676	12.45
Sprint Capital	Notes	Z100	8.750	2032	67.50 \$	2,000,000,000	12.96%	13.37%	0.28%	BBB-	\$	1,350,000,000	67.50%	175,000,000	0.002819653	0.024089233	13.34
Sprint Corp	Deb	NC	9.250	2022	72.00 \$	200,000,000	12.85%	14.15%	0.03%	BBB-	\$	144,000,000	72.00%	18,500,000	0.000298393	0.002549269	14.05
Nextel Communications	sr notes	103.688	7.375	2015	42.00 \$	1,000,000,000	17.56%	30.29%	0.32%	BBB-	\$	420,000,000	42.00%	73,750,000	0.00319415	0.027288691	26.35
	<b>7 Book Val</b>	<b>700</b>		<b>sum</b>	<b>475.50 \$</b>	<b>11,100,000,000</b>	<b>Percent of book</b>	<b>67.93%</b>			<b>\$</b>	<b>7,621,750,000</b>	<b>68.66%</b>	<b>7.69% \$</b>	<b>853,187,500</b>		<b>16.838%</b>
Verizon Communications	Notes	Z100	5.550	2016	97.7 \$	1,250,000,000	5.68%	5.99%	0.08%	A	\$	1,221,250,000	97.70%	69,375,000	0.000789236	0.006289413	5.96
Verizon Communications	Notes	Z100	5.250	2017	96.77 \$	750,000,000	5.43%	5.79%	0.05%	A	\$	725,775,000	96.77%	39,375,000	0.000458169	0.003651145	6.02
Verizon Communications	Notes	Z100	6.250	2037	103.55 \$	750,000,000	6.04%	5.98%	0.05%	A	\$	776,625,000	103.55%	46,875,000	0.000473241	0.003771251	5.98
Verizon Global Funding	Notes	Z100	7.375	2012	104.61 \$	1,000,000,000	7.05%	5.36%	0.06%	A	\$	1,046,100,000	104.61%	73,750,000	0.000564785	0.004500766	6.04
Verizon Global Funding	Notes	Z100	6.875	2012	103.15 \$	600,000,000	6.67%	5.49%	0.03%	A	\$	618,900,000	103.15%	41,250,000	0.000347499	0.002769215	5.70
Verizon Global Funding	Notes	Z100	4.375	2013	96.60 \$	500,000,000	4.53%	5.47%	0.03%	A	\$	483,000,000	96.60%	21,875,000	0.000288334	0.002297734	5.34
Verizon Global Funding	Notes	Z100	4.900	2015	94.00 \$	500,000,000	5.21%	6.22%	0.03%	A	\$	470,000,000	94.00%	24,500,000	0.000328028	0.002614056	5.98
Verizon Global Funding	Notes	Z100	7.750	2032	110.58 \$	400,000,000	7.01%	6.82%	0.03%	A	\$	442,320,000	110.58%	31,000,000	0.000287552	0.002291502	6.82
Verizon Global Funding	Notes	Z100	5.850	2035	99.49 \$	1,500,000,000	5.88%	5.89%	0.09%	A	\$	1,492,350,000	99.49%	17,975,000	0.00093152	0.007423272	5.88
Verizon MD	deb	Z100	5.125	2033	72.80 \$	350,000,000	7.04%	7.65%	0.03%	A	\$	254,800,000	72.80%	17,937,500	0.000282482	0.002251094	7.63
Verizon NE	deb	Z100	6.500	2011	99.26 \$	1,000,000,000	6.55%	7.04%	0.07%	A	\$	992,600,000	99.26%	65,000,000	0.000742054	0.005913423	6.78
Verizon NE	deb	Z101	4.750	2013	88.65 \$	300,000,000	5.36%	8.65%	0.03%	A	\$	265,950,000	88.65%	14,250,000	0.0002735	0.002179519	7.56
Verizon NJ	deb	Z100	5.875	2012	98.44 \$	1,000,000,000	5.97%	6.57%	0.07%	A	\$	984,400,000	98.44%	58,750,000	0.000693012	0.005522611	6.46
Verizon Penn	deb	Z100	5.650	2011	97.94 \$	1,000,000,000	5.77%	7.15%	0.08%	A	\$	979,400,000	97.94%	56,500,000	0.000753627	0.006005651	6.43
Verizon VA	deb	Z100	4.625	2013	89.48 \$	1,000,000,000	5.17%	8.20%	0.09%	A	\$	894,800,000	89.48%	46,250,000	0.000865089	0.006893884	7.78
	<b>15 Book Val</b>	<b>1500</b>		<b>sum</b>	<b>1453.02 \$</b>	<b>11,900,000,000</b>	<b>Percent of book</b>	<b>96.87%</b>			<b>\$</b>	<b>11,648,270,000</b>	<b>97.88%</b>	<b>5.84% \$</b>	<b>694,437,500</b>		<b>6.437%</b>
Windstream	Sr Notes	z100	7.000	2019	77.00 \$	500,000,000	9.09%	11.03%	0.06%	BB-	\$	385,000,000	77.00%	35,000,000	0.000581400	0.11026957	10.88
	<b>1 Book Val</b>	<b>100</b>		<b>sum</b>	<b>77.00 \$</b>	<b>500,000,000</b>	<b>Percent of book</b>	<b>77.00%</b>			<b>\$</b>	<b>385,000,000</b>	<b>77.00%</b>	<b>7.00% \$</b>	<b>35,000,000</b>		<b>11.027%</b>
<b>Total</b>					<b>\$</b>	<b>94,831,000,000</b>					<b>Total \$</b>	<b>87,975,089,100</b>	<b>92.77%</b>	<b>7.01% \$</b>	<b>6,643,779,000</b>		<b>9.142%</b>

Source: Standard & Poor's Bond Guide, January 2009, 2008 Yr End Prices  
 Not in bond guide: Alaska, BCE, Fairpoint (2010 only), Iowa, MCI, Telephone & Data Sys, Telus.  
 6 month LIBOR is 1.75 WSJ 12-31-08

Embedded debt rate **7.0059%**  
 Weighted average yield to maturity **9.2720%**  
 Debt service / Market value **7.5519%**



03/25/2009

# Telecom Bond Analysis

Telecom Bond Analysis 12/2008																
Company	type	Call	coupon	maturity	Price 12/08	Issued / Book	current yield	yield to maturity	Weighted Av Rating	Mkt Val	Mkt : Book	Embedded R Debt Service	WAYTM	WAYTM	S&P YTM	
TCI Communications	Sr Deb	NC	7.125	2028	94.57	\$ 300,000,000	7.53%	7.68%	0.07% BBB+	\$ 283,710,000	94.57%	21,375,000	0.006886556	0.001291149	7.68	
Bell South Telecommunications	deb	Z100	6.375	2028	100.41	\$ 500,000,000	6.35%	6.34%	0.09% A	\$ 502,050,000	100.41%	31,875,000	0.000946461	0.001774501	6.33	
CenturyTel Entr	Deb g	Z100	6.875	2028	62.00	\$ 425,000,000	11.09%	12.11%	0.15% BBB-	\$ 263,500,000	62.00%	29,218,750	0.001537125	0.121074792	12.05	
Cincinnati Bell Tel	Gtd Deb	Z100	6.300	2028	63.00	\$ 150,000,000	10.00%	6.30%	0.03% BB	\$ 94,500,000	63.00%	9,450,000	0.00028229179	0.063000000	10.92	
Sprint Capital	notes	Z100	6.875	2028	59.50	\$ 2,500,000,000	11.55%	12.63%	0.94% BBB-	\$ 1,487,500,000	59.50%	171,875,000	0.009429084	0.070144007	12.45	
AT&T Corp	Notes	Z100	6.500	2029	96.85	\$ 255,000,000	6.711%	6.80%	0.05% A	\$ 246,967,500	96.85%	16,575,000	0.0005177	0.000970625	6.8	
Bell South Capital Funding	note	100	7.875	2030	109.71	\$ 1,000,000,000	7.18%	6.97%	0.21% A	\$ 1,097,100,000	109.71%	78,750,000	0.002082394	0.003904241	6.98	
AT&T Corp	sr notes	100	8.000	2031	125.61	\$ 2,750,000,000	6.369%	5.87%	0.48% A	\$ 3,454,275,000	125.61%	220,000,000	0.004823942	0.009044317	5.93	
AT&T Wireless	sr notes	Z100	8.750	2031	125.00	\$ 2,500,000,000	7.000%	6.55%	0.49% A	\$ 3,125,000,000	125.00%	218,750,000	0.004891673	0.009171305	6.57	
Bell South Corp	note	Z100	6.875	2031	103.96	\$ 750,000,000	6.61%	6.53%	0.15% A	\$ 779,700,000	103.96%	51,562,500	0.001462363	0.002741757	6.53	
Citizens Communications	sr note	Z100	9.000	2031	63.00	\$ 695,000,000	14.22%	14.76%	0.31% BB+	\$ 438,480,000	63.00%	62,640,000	0.003068551	0.147550669	14.67	
Qwest Cap Funding	notes	Z100	7.750	2031	62.50	\$ 1,000,000,000	12.40%	13.01%	0.39% B+	\$ 625,000,000	62.50%	77,500,000	0.00388543	0.130068663	12.97	
Sprint Capital	Notes	Z100	8.750	2032	67.50	\$ 2,000,000,000	12.96%	13.37%	0.80% BBB-	\$ 1,350,000,000	67.50%	175,000,000	0.007987528	0.059420108	13.34	
Verizon Global Funding	Notes	Z100	7.750	2032	110.58	\$ 400,000,000	7.01%	6.82%	0.08% A	\$ 442,320,000	110.58%	31,000,000	0.00081458	0.009089624	6.82	
Comcast Corp	notes	Z100	7.050	2033	104.3	\$ 750,000,000	6.76%	6.68%	0.15% BBB+	\$ 782,250,000	104.30%	52,875,000	0.001497096	0.01496023	6.68	
Verizon MD	deb	Z100	5.125	2033	72.80	\$ 350,000,000	7.04%	7.65%	0.08% A	\$ 254,800,000	72.80%	17,937,500	0.000800216	0.00892934	7.63	
Bell South Corp	note	Z100	6.550	2034	101.4	\$ 700,000,000	6.46%	6.43%	0.13% A	\$ 709,800,000	101.40%	45,850,000	0.001345579	0.002522801	6.43	
Bell South Corp	note	Z100	6.000	2034	98.22	\$ 700,000,000	6.11%	6.14%	0.13% A	\$ 687,540,000	98.22%	42,000,000	0.001284404	0.002408104	6.13	
SBC Communications	Global Notes	Z100	5.875	2034	102.77	\$ 1,000,000,000	5.72%	5.66%	0.17% A	\$ 1,027,700,000	102.77%	58,750,000	0.00169172	0.003171774	5.82	
SBC Communications	Global Notes	Z100	6.450	2034	104.66	\$ 750,000,000	6.16%	6.08%	0.14% A	\$ 794,950,000	104.66%	48,375,000	0.001362039	0.002553662	6.08	
Comcast Corp	notes	Z100	5.650	2035	88.90	\$ 750,000,000	6.36%	6.56%	0.15% BBB+	\$ 666,750,000	88.90%	42,375,000	0.001468163	0.01468110	6.55	
Verizon Global Funding	Notes	Z100	5.850	2035	99.49	\$ 1,500,000,000	5.88%	5.89%	0.26% A	\$ 1,492,350,000	99.49%	87,375,000	0.002638814	0.029445647	5.88	
AT&T Inc	Notes	Z100	6.800	2036	113.07	\$ 600,000,000	6.014%	5.82%	0.10% A	\$ 678,420,000	113.07%	40,800,000	0.001043232	0.001955936	5.82	
Embarq Corp	notes	Z100	7.995	2036	67.50	\$ 2,500,000,000	11.84%	12.14%	0.91% BBB-	\$ 1,687,500,000	67.50%	199,875,000	0.009655551	0.12130270	12.13	
AT&T Inc	Global Notes	Z100	6.500	2037	107.69	\$ 2,000,000,000	6.036%	5.93%	0.35% A	\$ 2,153,800,000	107.69%	130,000,000	0.003540758	0.006638499	5.93	
Comcast Corp	notes	Z100	6.450	2037	99.51	\$ 1,850,000,000	6.48%	6.49%	0.36% BBB+	\$ 1,840,935,000	99.51%	119,325,000	0.003585856	0.035832871	6.48	
Verizon Communications	Notes	Z100	6.250	2037	103.55	\$ 750,000,000	6.04%	5.98%	0.13% A	\$ 776,625,000	103.55%	46,875,000	0.001340599	0.014959295	5.98	
AT&T Inc	Global Notes	Z100	6.300	2038	105.71	\$ 2,750,000,000	5.960%	5.88%	0.48% A	\$ 2,907,025,000	105.71%	173,250,000	0.004832117	0.009059644	5.88	
Bell South Telecommunications	deb	NC	5.850	2045	80.09	\$ 300,000,000	7.33%	7.46%	0.07% A	\$ 240,270,000	80.09%	17,550,000	0.000648594	0.001253355	7.45	
Bell South Telecommunications	deb	NC	7.000	2095	78.32	\$ 500,000,000	8.94%	8.94%	0.13% A	\$ 391,600,000	78.32%	35,000,000	0.001353185	0.002503313	8.93	
Bell South Capital Funding	note	Z100	7.120	2097	81.96	\$ 500,000,000	8.69%	8.69%	0.13% A	\$ 409,800,000	81.96%	35,600,000	0.001297716	0.002433064	8.68	
<b>Total</b>						<b>\$ 33,476,000,000</b>				<b>Total</b>	<b>\$ 31,682,217,500</b>	<b>94.64%</b>	<b>7.14%</b>	<b>\$ 2,389,758,750</b>	<b>8.12%</b>	<b>8.09</b>

Source: Standard & Poor's Bond Guide, January 2009, 2008 Yr End Prices

Embedded debt rate	7.1387%
Weighted average yield to maturity	8.1217%
Debt service / Market value	7.5429%
S&P YTM	8.0900%

SAY: **8.00%**

# DATA INPUT

WASHINGTON STATE DEPARTMENT OF REVENUE  
2009 ASSESSMENT YEAR  
TELECOMMUNICATIONS

Instructions: Data entered on this page will flow to the applicable worksheets.

Guideline Companies		Stock Price	Revenues	Cash Flow	Earnings	Dividends	Cap'l Spending	Bk Value	Common	Calculated Debt	Wtd Avg YTM	Payout Ratio	Payout Ratio	ROE
Name	Ticker	(4th Qtr Avg)	Per Share	Per Share	Per Share	Per Share	per share	Stock	Shares	mk to bk		calculated	V L	V L
AT&T Inc	t	26.787	21.05	5.56	2.16	1.60	3.34	16.35	5,893,000,000	105.29%	5.852%	74%	74%	13.4%
Alaska Communication Sys	alsk	9.568	8.91	1.86	0.16	0.86	2.74	0.29	43,726,399	92.77%		538%	nmf	57.7%
BCE Inc	bce	25.065	18.07	5.06	1.85	0.60	3.05	15.36	803,056,958	92.77%		32%	40%	12.3%
CenturyTel Inc.	ctl	27.068	25.91	8.68	3.37	1.54	2.86	31.54	100,300,000	73.62%	12.983%	46%	44%	11.0%
Cincinnati Bell	cbb	2.343	6.16	1.08	0.40	nil	1.01	(3.11)	227,881,466	78.97%	7.574%	nmf	11%	nmf
Comcast	cmcsa	15.785	11.89	3.18	0.93	0.25	2.00	14.04	2,880,638,000	96.78%	6.777%	27%	20%	6.8%
Consolidated Communications	cnsl	10.585	14.20	3.75	0.42	1.55	1.60	4.90	29,488,408	92.77%		369%	nmf	8.5%
Embarq	eq	32.048	43.01	12.44	5.22	2.75	4.82	(4.27)	142,400,000	74.05%	12.312%	53%	53%	nmf
Fairpoint Communications	frp	4.005	14.32	2.10	(0.85)	1.17	3.35	0.27	88,995,572	92.77%		-138%	nmf	nmf
Frontier	fttr	8.577	7.19	2.39	0.57	1.00	0.93	1.67	311,311,000	82.24%	13.783%	175%	nmf	35.2%
Iowa Telecom Services	iwa	14.915	7.84	2.44	0.72	1.62	0.89	6.43	31,977,837	92.77%		225%	nmf	11.4%
Level 3 Communications	lvl3	1.160	2.66	0.40	(0.19)	nil	0.28	0.54	1,617,615,258	71.49%	22.164%	nmf	nmf	nmf
Qwest Comm Intl	q	2.888	7.89	1.78	0.39	0.32	1.04	(0.85)	1,708,816,425	80.02%	16.014%	82%	nmf	nmf
Shenandoah Telecom	shen	22.108	6.11	2.38	1.12	0.30	2.78	7.09	23,625,011	92.77%		27%	25%	15.7%
Sprint Nextel	s	3.315	12.08	2.22	(0.64)	nil	1.30	6.64	2,864,963,779	68.66%	16.838%	nmf	nmf	nmf
Telephone & Data Systems Inc	tds	29.733	45.45	7.55	0.80	0.41	6.50	37.10	112,197,977	92.77%		51%	49%	2.0%
Telus Corp	tu	29.642	24.89	7.30	2.88	1.48	4.80	18.53	319,300,000	92.77%		51%	51%	15.5%
tw telecom	twtc	7.222	7.84	1.99	0.06	nil	1.86	4.04	147,800,000	92.77%		nmf	nil	1.4%
Verizon Communications	vz	29.960	34.25	7.65	2.55	1.76	6.05	18.00	2,840,569,560	97.88%	6.437%	69%	68%	13.0%
Windstream	win	8.520	7.22	2.11	0.98	1.00	0.70	0.57	441,098,355	77.00%	11.027%	102%	102%	nmf

Value Line March 27, 2009

Yahoo

Value Line

Value Line

Value Line

Value Line

Value Line

Value Line

Value Line

Bond analysis

Bond analysis

calculated

Value Line

Value Line



## AVERAGE FOURTH QUARTER STOCK PRICE

WASHINGTON STATE DEPARTMENT OF REVENUE

2009 ASSESSMENT YEAR

TELECOMMUNICATIONS

ATT	T							Q4 Average
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	28	30.65	26.57	28.5	34290000		28.09	
11/03/2008	26.87	29.91	23.32	28.56	38197600		28.15	
10/01/2008	28.15	29.37	20.9	26.77	48964300		26.38	<b>26.787</b>
Alaska	ALSK							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	9.5	9.7	8.13	9.38	369900		9.38	
11/03/2008	9.38	10.42	8.05	9.7	461600		9.47	
10/01/2008	12.25	12.3	8.81	9.34	541900		9.11	<b>9.568</b>
CenturyTel	CTL							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	26.05	27.47	23.27	27.33	1877700		27.33	
11/03/2008	25.53	28.24	20.45	26.56	2672000		26.56	
10/01/2008	36.38	40	22.98	25.11	2698400		24.47	<b>27.068</b>
Cincinnati Bell	CBB							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	1.82	2.06	1.5	1.93	1223500		1.93	
11/03/2008	2.4	4.29	1.37	1.73	1711200		1.73	
10/01/2008	3.05	3.09	1.75	2.39	2083000		2.39	<b>2.343</b>
Frontier	FTR (was Citizens)							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	8.56	9	7.8	8.74	2640400		8.74	
11/03/2008	7.76	9.62	6.35	8.72	3552400		8.45	
10/01/2008	11.41	11.8	6.89	7.61	3960100		7.38	<b>8.577</b>
Comcast	CMCSA							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	16.75	16.95	14.88	16.88	24019300		16.82	
11/03/2008	15.77	18.03	12.73	17.34	29822700		17.28	
10/01/2008	19.62	19.62	12.5	15.76	37268700		15.7	<b>15.785</b>
Embarq	EQ							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	31.8	36	28.02	35.96	1231300		35.96	
11/03/2008	30	34.54	23.41	32.64	1965300		31.93	
10/01/2008	40.61	43.27	27.05	30	2789000		29.35	<b>32.048</b>
Fairpoint Commu	FRP							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	3.5	3.5	2.26	3.28	1052500		3.28	
11/03/2008	4.08	4.71	1.49	3.5	1291900		3.24	
10/01/2008	8.61	8.81	3.26	3.98	1217700		3.68	<b>4.005</b>
Iowa	IWA							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	14.89	16.45	13.13	14.28	331600		14.28	
11/03/2008	15.18	16.95	12.56	15.29	269200		14.85	
10/01/2008	18.55	18.86	11.54	15.12	422900		14.68	<b>14.915</b>
Level 3	LVLT							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	0.89	0.89	0.57	0.7	11385700		0.7	
11/03/2008	1.05	1.46	0.69	0.94	21907300		0.94	
10/01/2008	2.69	2.75	0.6	1.05	37673700		1.05	<b>1.160</b>
Qwest	Q							
Date	Open	High	Low	Close	Volume	Adj Close		
12/01/2008	3.11	3.66	2.63	3.64	18018100		3.64	
11/03/2008	2.97	3.47	2.1	3.2	20972900		3.2	
10/01/2008	3.31	3.42	2.05	2.89	29333700		2.81	<b>2.888</b>

Sprint Nextel S							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	2.83	2.88	1.57	1.83	33493800	1.83	
11/03/2008	3.45	4.5	1.35	2.79	48276300	2.79	
10/01/2008	6.16	6.72	2.87	3.13	42208200	3.13	<b>3.315</b>
Telephone & Data TDS							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	31.36	33.53	28.13	31.75	548100	31.75	
11/03/2008	26.94	32.45	24.12	32.45	685700	32.34	
10/01/2008	35.9	38.93	21.24	26.85	625700	26.76	<b>29.733</b>
Verizon VZ							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	32.14	34.9	30.5	33.9	19568700	33.41	
11/03/2008	30.12	33.06	26.23	32.65	21905500	32.18	
10/01/2008	31.79	32	23.07	29.67	26458900	29.24	<b>29.960</b>
Windstream WIN							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	8.7	9.58	7.96	9.2	4183600	9.2	
11/03/2008	7.58	9.29	6.79	8.86	6500500	8.62	
10/01/2008	10.94	11.13	6.37	7.51	7935700	7.31	<b>8.520</b>
Telus TU							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	29.13	29.55	24.19	28.42	339200	28.42	
11/03/2008	32.99	35.48	24.48	28.76	247600	28.37	
10/01/2008	35.03	37.32	26.83	32.6	273500	32.15	<b>29.642</b>
BCE BCE							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	19.52	22.48	16.85	20.49	3241600	20.49	
11/03/2008	29.49	32.16	18.59	19.79	2359400	19.48	
10/01/2008	34.41	34.51	25.8	29.01	1575800	28.55	<b>25.065</b>
Consolidated Cor CNSL							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	9.95	11.98	9.23	11.88	159400	11.5	
11/03/2008	10.3	11.56	7.27	10.18	173600	9.86	
10/01/2008	15.07	15.22	8.25	10.3	172000	9.97	<b>10.585</b>
Shenandoah Tele SHEN							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	24.52	28.21	21.76	28.05	158300	28.05	
11/03/2008	24.14	24.93	19.85	24.86	100100	24.86	
10/01/2008	21.77	24.01	13.89	23.97	90100	23.64	<b>22.108</b>
TW Telecom TWTC							
Date	Open	High	Low	Close	Volume	Adj Close	
12/01/2008	7.4	8.68	6.35	8.47	1563700	8.47	
11/03/2008	7.1	8.13	5.09	7.63	2236100	7.63	
10/01/2008	10.29	10.69	4.39	7.08	3418300	7.08	<b>7.222</b>

Source:  
finance.yahoo.com  
Historical Stock Quotes  
01/15/2009

## IMPLIED PREMIUMS FOR US MARKET

Last updated January 5, 2009

These implied premiums are calculated using the S&P 500.

Year	Earnings Yield	Dividend Yield	S&P 500	Earnings	Dividends	Change in Earnings	Change in Dividends	T-Bill Rate	T-Bond Rate	Bond-Bill	Boothed Growth	Premium (t)	Growth Est	Implied Premium (FCFE)	ERP/Riskfree Rate
1960	5.34%	3.41%	58.11	3.1	1.98			0.0266	2.76%	0.10%	2.45%				
1961	4.71%	2.85%	71.55	3.37	2.04	8.60%	2.91%	2.13%	2.35%	0.22%	2.41%	2.92%		2.92%	1.24
1962	5.81%	3.40%	63.1	3.67	2.15	8.79%	5.21%	2.73%	3.85%	1.12%	4.05%	3.56%		3.56%	0.92
1963	5.51%	3.13%	75.02	4.13	2.35	12.75%	9.45%	3.12%	4.14%	1.02%	4.96%	3.38%		3.38%	0.82
1964	5.62%	3.05%	84.75	4.76	2.58	15.23%	10.08%	3.54%	4.21%	0.67%	5.13%	3.31%		3.31%	0.79
1965	5.73%	3.06%	92.43	5.3	2.83	11.20%	9.42%	3.93%	4.65%	0.72%	5.46%	3.32%		3.32%	0.71
1966	6.74%	3.59%	80.33	5.41	2.88	2.23%	1.96%	4.76%	4.64%	-0.12%	4.19%	3.68%		3.68%	0.79
1967	5.66%	3.09%	96.47	5.46	2.98	0.85%	3.37%	4.21%	5.70%	1.49%	5.25%	3.20%		3.20%	0.56
1968	5.51%	2.93%	103.86	5.72	3.04	4.81%	2.09%	5.21%	6.16%	0.95%	5.32%	3.00%		3.00%	0.49
1969	6.63%	3.52%	92.06	6.1	3.24	6.66%	6.49%	6.58%	7.88%	1.30%	7.55%	3.74%		3.74%	0.47
1970	5.98%	3.46%	92.15	5.51	3.19	-9.72%	-1.61%	6.53%	6.50%	-0.03%	4.78%	3.41%		3.41%	0.52
1971	5.46%	3.10%	102.09	5.57	3.16	1.15%	-0.74%	4.39%	5.89%	1.50%	4.57%	3.09%		3.09%	0.52
1972	5.23%	2.70%	118.05	6.17	3.19	10.76%	0.71%	3.84%	6.41%	2.57%	5.21%	2.72%		2.72%	0.42
1973	8.16%	3.70%	97.55	7.96	3.61	28.93%	13.24%	6.93%	6.90%	-0.03%	8.30%	4.30%		4.30%	0.62
1974	13.64%	5.43%	68.56	9.35	3.72	17.48%	3.14%	8.00%	7.40%	-0.60%	6.42%	5.59%		5.59%	0.76
1975	8.55%	4.14%	90.19	7.71	3.73	-17.54%	0.30%	5.80%	7.76%	1.96%	5.99%	4.13%		4.13%	0.53
1976	9.07%	3.93%	107.46	9.75	4.22	26.39%	13.10%	5.08%	6.81%	1.73%	8.19%	4.55%		4.55%	0.67
1977	11.43%	5.11%	95.1	10.87	4.86	11.53%	15.07%	5.12%	7.78%	2.66%	9.52%	5.92%		5.92%	0.76
1978	12.11%	5.39%	96.11	11.64	5.18	7.07%	6.60%	7.18%	9.15%	1.97%	8.48%	5.72%		5.72%	0.63
1979	13.48%	5.53%	107.94	14.55	5.97	25.01%	15.23%	10.38%	10.33%	-0.05%	11.70%	6.45%		6.45%	0.62
1980	11.04%	4.74%	135.76	14.99	6.44	3.01%	7.81%	11.24%	12.43%	1.19%	11.01%	5.03%		5.03%	0.4
1981	12.39%	5.57%	122.55	15.18	6.83	1.31%	6.08%	14.71%	13.98%	-0.73%	11.42%	5.73%		5.73%	0.41
1982	9.83%	4.93%	140.64	13.82	6.93	-8.95%	1.58%	10.54%	10.47%	-0.07%	7.96%	4.90%		4.90%	0.47
1983	8.06%	4.32%	164.93	13.29	7.12	-3.84%	2.76%	8.80%	11.80%	3.00%	9.09%	4.31%		4.31%	0.37
1984	10.07%	4.68%	167.24	16.84	7.83	26.69%	9.85%	9.85%	11.51%	1.66%	11.02%	5.11%		5.11%	0.44
1985	7.42%	3.88%	211.28	15.68	8.2	-6.91%	4.74%	7.72%	8.99%	1.27%	7.89%	4.03%	6.75%	3.84%	0.43
1986	5.96%	3.38%	242.17	14.43	8.19	-7.93%	-0.15%	6.16%	7.22%	1.06%	5.54%	3.36%	6.96%	3.58%	0.5
1987	6.49%	3.71%	247.08	16.04	9.17	11.10%	11.99%	5.47%	8.86%	3.39%	9.66%	4.18%	8.58%	3.99%	0.45
1988	8.20%	3.68%	277.72	24.12	10.22	50.42%	11.49%	6.35%	9.14%	2.79%	9.76%	4.12%	7.67%	3.77%	0.41
1989	6.80%	3.32%	353.4	24.32	11.73	0.83%	14.80%	8.37%	7.93%	-0.44%	9.58%	3.85%	7.46%	3.51%	0.44
1990	6.58%	3.74%	330.22	22.65	12.35	-6.87%	5.26%	7.81%	8.07%	0.26%	7.39%	3.92%	7.19%	3.89%	0.48
1991	4.58%	3.11%	417.09	19.3	12.97	-14.79%	5.03%	7.00%	6.70%	-0.30%	6.34%	3.27%	7.81%	3.48%	0.52
1992	4.16%	2.90%	435.71	20.87	12.64	8.13%	-2.59%	5.30%	6.68%	1.38%	4.67%	2.83%	9.83%	3.55%	0.53
1993	4.25%	2.72%	466.45	26.9	12.69	28.89%	0.41%	3.50%	5.79%	2.29%	4.73%	2.74%	8.00%	3.17%	0.55
1994	5.89%	2.91%	459.27	31.75	13.36	18.03%	5.34%	5.00%	7.82%	2.82%	7.23%	3.06%	7.17%	3.55%	0.45
1995	5.74%	2.30%	615.93	37.7	14.17	18.74%	6.00%	3.50%	5.57%	2.07%	5.65%	2.44%	6.50%	3.29%	0.59
1996	4.83%	2.01%	740.74	40.63	14.89	7.77%	5.10%	5.00%	6.41%	1.41%	6.13%	2.11%	7.92%	3.20%	0.5
1997	4.08%	1.60%	970.43	44.09	15.52	8.52%	4.25%	5.35%	5.74%	0.39%	5.45%	1.67%	8.00%	2.73%	0.48
1998	3.11%	1.32%	1229.23	44.27	16.2	0.41%	4.37%	4.33%	4.65%	0.32%	4.60%	1.38%	7.20%	2.26%	0.49
1999	3.07%	1.14%	1469.25	51.68	16.71	16.74%	3.16%	5.37%	6.44%	1.07%	5.75%	1.20%	12.50%	2.05%	0.32
2000	3.94%	1.23%	1320.28	56.13	16.27	8.61%	-2.65%	5.73%	5.11%	-0.62%	3.71%	1.65%	12.00%	2.87%	0.56
2001	3.85%	1.37%	1148.09	38.85	15.74	-30.79%	-3.24%	1.80%	5.05%	3.25%	3.56%	1.73%	10.30%	3.62%	0.72
2002	5.23%	1.83%	879.82	46.04	16.08	18.51%	2.15%	1.20%	3.81%	2.61%	3.57%	2.29%	8.00%	4.10%	1.08
2003	4.87%	1.61%	1111.91	54.69	17.88	18.79%	11.19%	1.00%	4.25%	3.25%	5.35%	2.12%	11.00%	3.69%	0.87
2004	5.58%	1.60%	1211.92	67.68	19.407	23.75%	8.54%	2.18%	4.22%	2.04%	4.90%	2.02%	8.50%	3.65%	0.86
2005	5.47%	1.79%	1248.29	76.45	22.38	12.96%	15.32%	4.31%	4.39%	0.08%	6.16%	2.20%	8.00%	4.08%	0.93
2006	6.18%	1.77%	1418.3	87.72	25.05	14.74%	11.93%	4.88%	4.70%	-0.18%	5.93%	1.97%	12.50%	4.16%	0.89
2007	5.62%	1.89%	1468.36	82.54	27.73	-5.91%	10.70%	3.31%	4.02%	0.71%	5.03%	2.06%	5.00%	4.37%	1.09
2008	7.24%	3.11%	903.25	65.39	28.05	-20.78%	1.15%	1.59%	2.21%	0.62%	2.11%	2.06%	4.00%	6.43%	2.91

Source: [http://pages.stern.nyu.edu/~adamodar/New\\_Home\\_Page/](http://pages.stern.nyu.edu/~adamodar/New_Home_Page/)