

National Association of Regulatory Utility Commissioners Winter Meeting

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Moody's Investors Service

Last 12 Month Capital Expenditures

- US Wireline Telcos - \$30 billion
 - AT&T and Verizon - \$25 billion
- US Wireless - \$15 billion



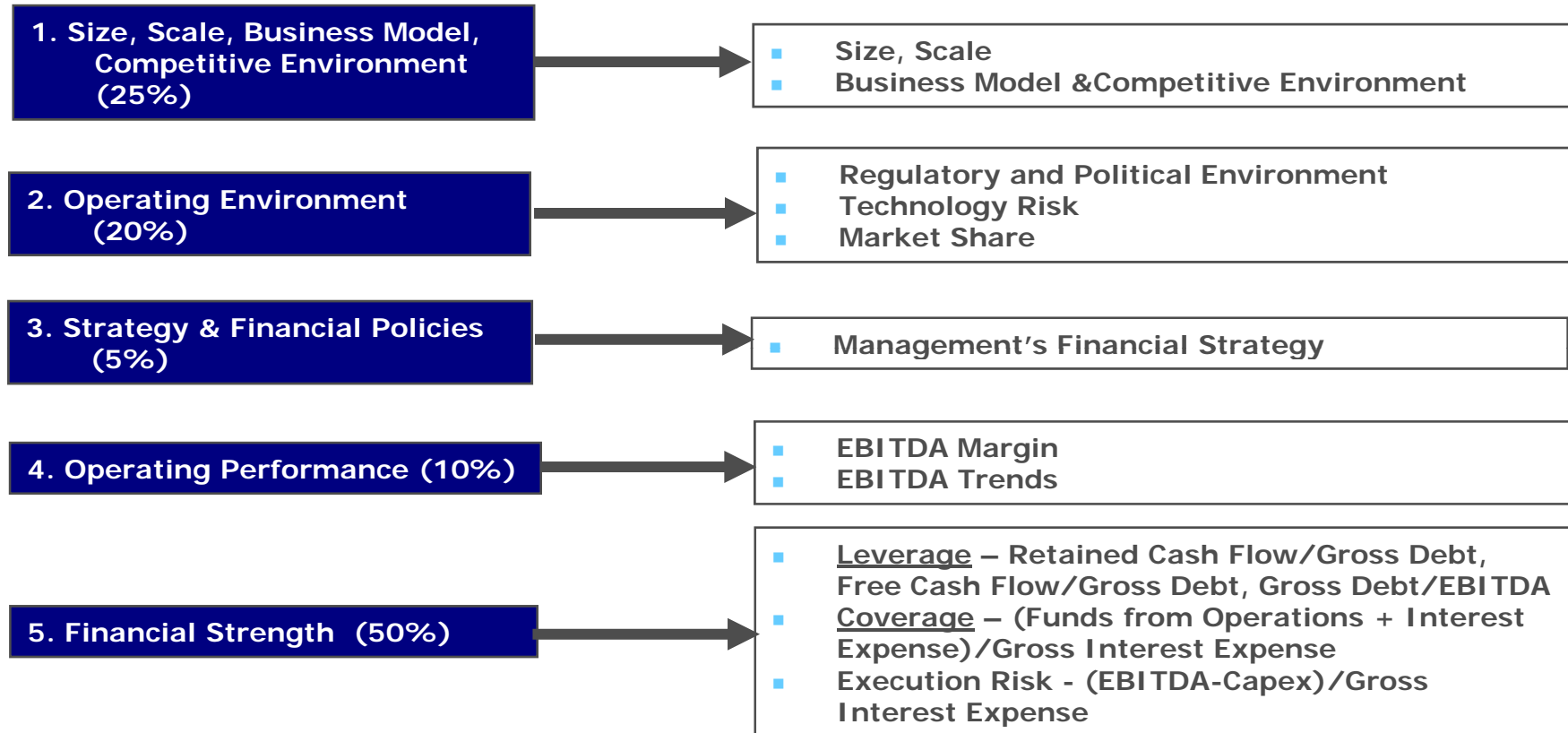
Typical ILEC DSL Coverage

- **Population Coverage - Speed**

- 80% - 90% - > 1-3 Mbps
- 50% - 60% - > 3-6 Mbps
- 10% - 15% - > 12 - 25 Mbps



Global Telecom Industry Ratings Drivers



50% weight assigned to quantitative factors, 50% to qualitative
All factors assessed on historical and projected basis



Broadband Penetration Fundamentals

■ USA Computer Penetration	80%
■ Broadband Availability	90%
■ Internet Users per Capita	73%
■ Broadband Penetration/HHs	68%



North American Industry Sector Outlooks

- Large Diversified Telcos (RBOCs) – Stable
- ILECs – Stable, with negative bias
- Wireless - Stable, with positive bias
- CLECs – Negative
- Cable - Positive



End of Presentation

Q & A



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