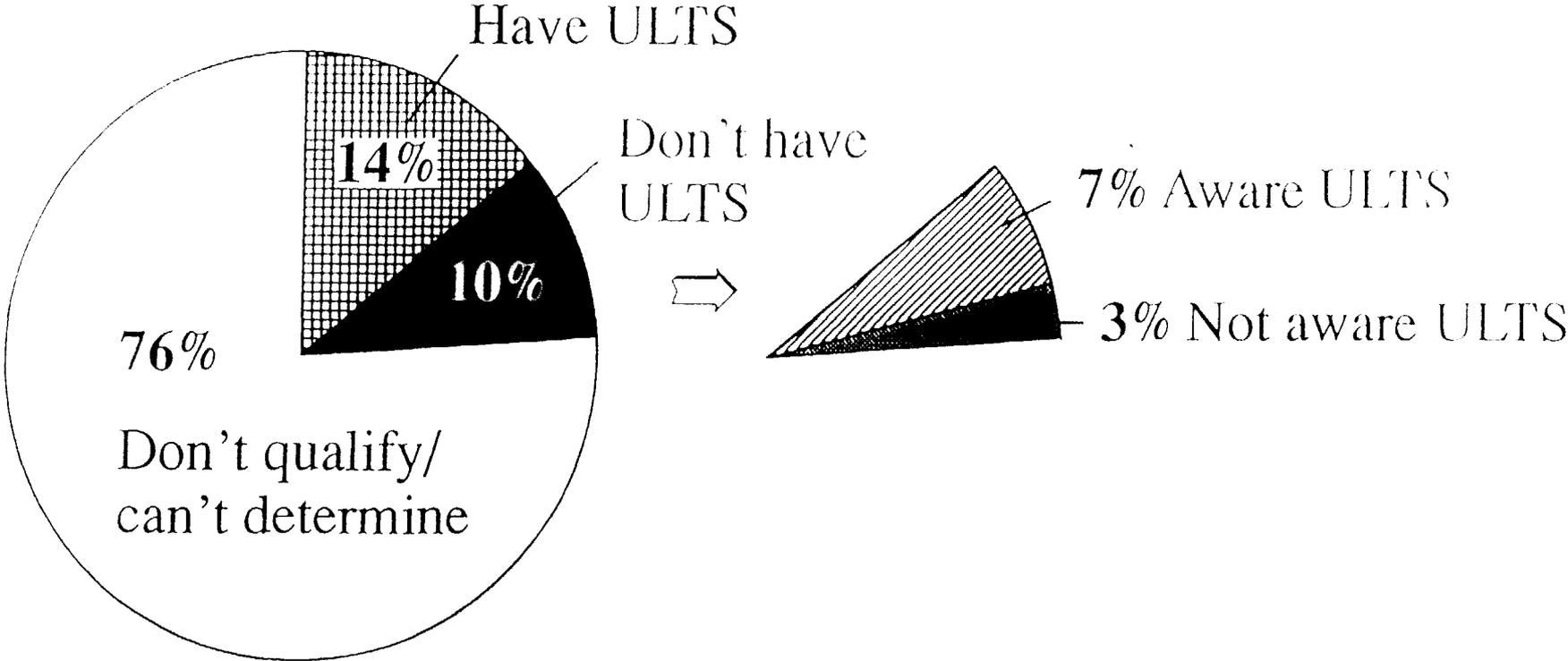


ULTS Penetration (Among Those Who Qualify)

Customers



Interest in ULTS (among Qualified, Don't Have)

Told "with ULTS, you would still pay whatever you do now for calls (but) save about (\$5.88)/(\$5.17) per month (for) FLAT RATE or (\$3.62)/(\$3.22) (for) MEASURED RATE."

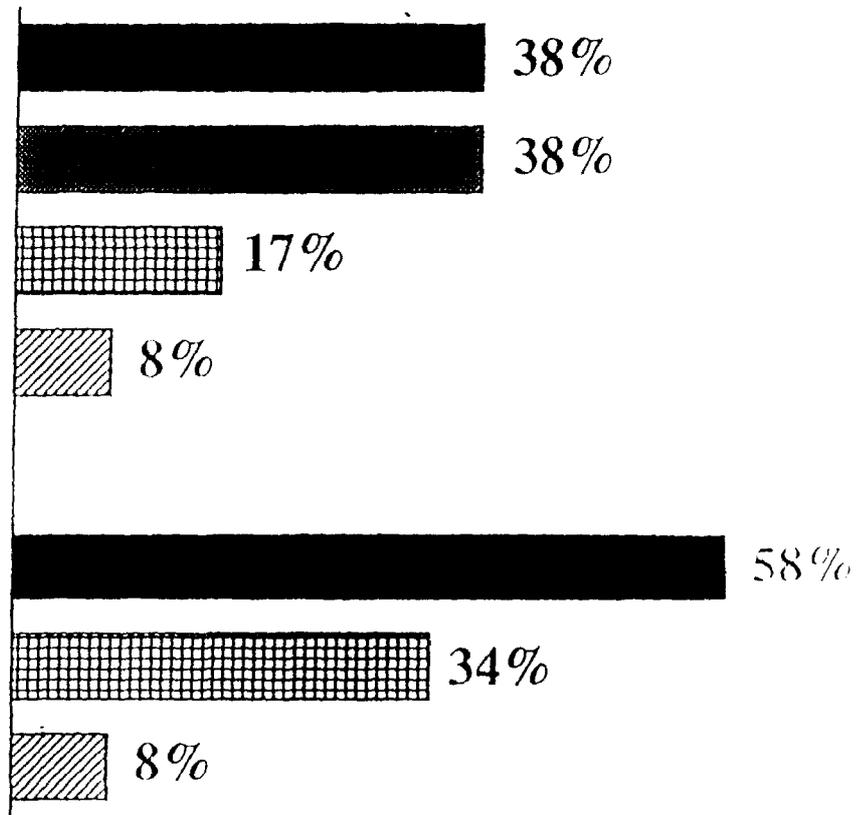
Given those savings, this would be —

- Much easier to afford
- A little easier to afford
- No easier to afford
- Can't say

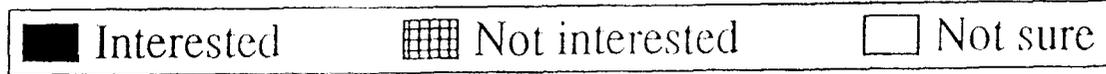
Assuming eligible, would —

- Sign up
- Continue as now
- Can't say

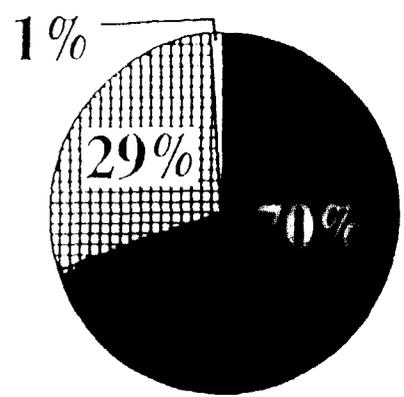
Customers who qualify but don't have ULTS
(10% of all customers)



Interest in Call Control Service (a)

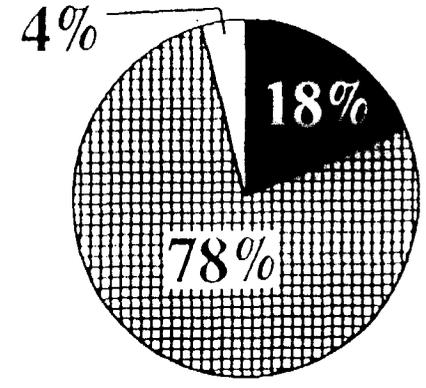


Non-customers⁺

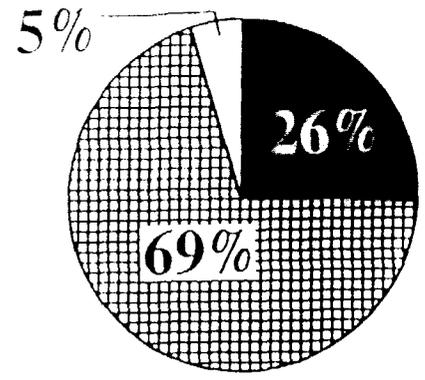


* base = qualify for ULTS

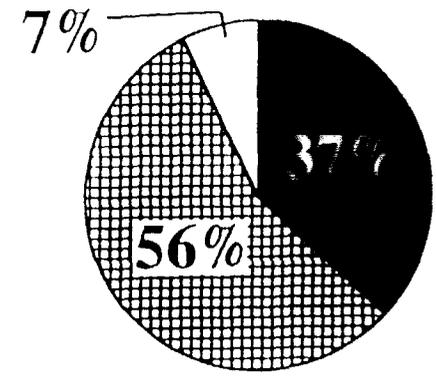
Customers



ULTS Subscribers



Qualify ULTS, Don't Have



(a) "What if there were some way for you to control the calls that cost extra? For example, the phone company could set some limit on those calls so you would not go over that limit... would you be interested in this type of service or not?"

Conclusions

- Non-customer segment includes many who get service, then lose it.
- Leaves very few households who feel a need for it but have not had it.
- Reflects efforts to increase accessibility and make it easier for those who want to get onto the network. Such efforts must continue, but other, new efforts are required.
- Stop in and out movement

Customer survey

12% at risk

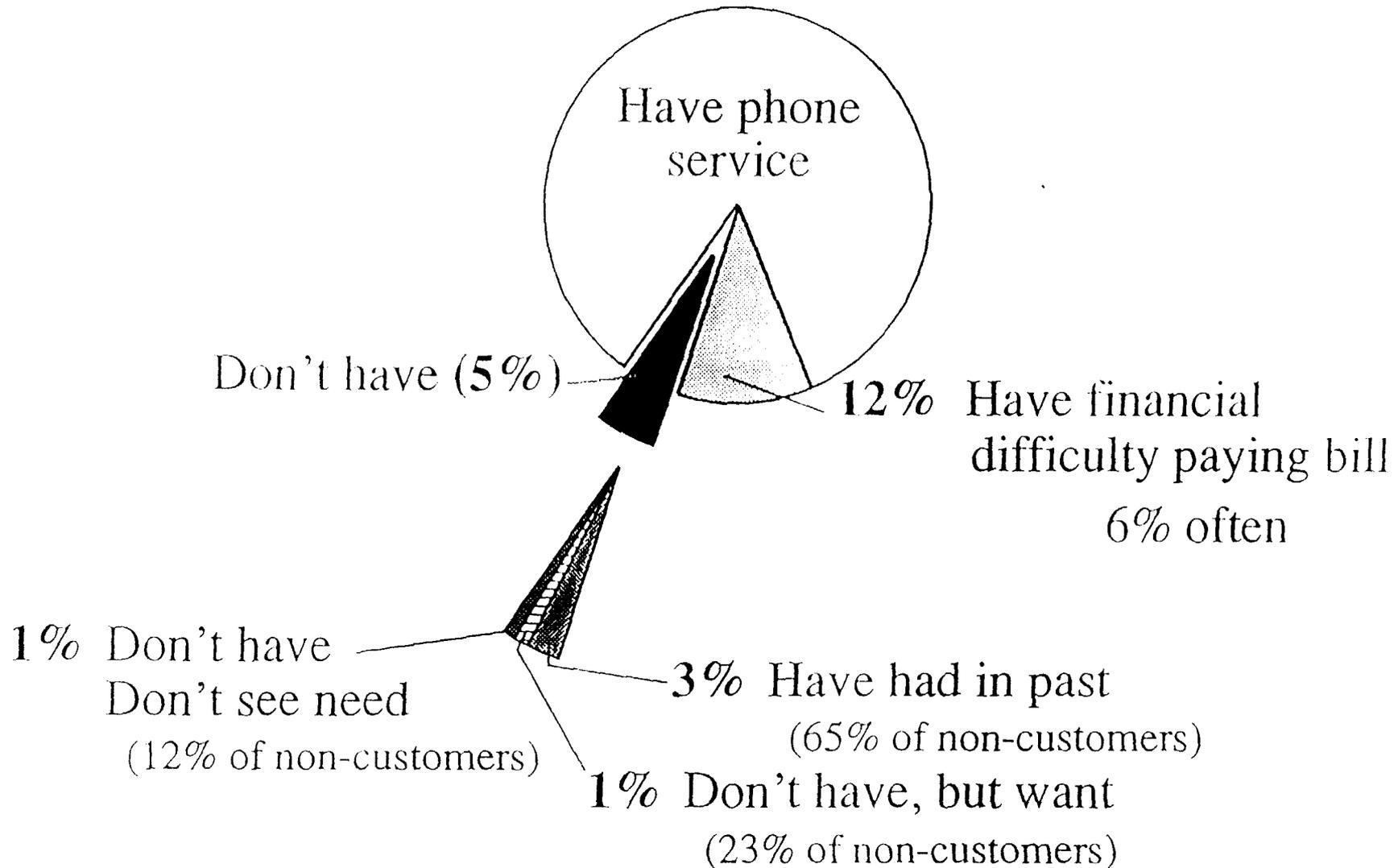
Non-customer survey

65% had it, lost it

Importance of Retention for Improving Penetration

- Using 5% non-penetration only as example

Households



4 Key Issues for Policy Planners

(1) Retention: keeping customers on network

Call control: LEC and IEC

Mobility

Custom Calling Services (CCS)

(2) Education: awareness of costs, ULTS specifics

Startup costs

Deposit requirements

Installment option (for paying amounts due)

(3) Product: ULTS does not address some key needs

No more affordable than regular rate

Basic service only small part of most bills

Name is not synergistic with purpose

4 Key Issues for Policy Planners (continued)

(4) Different strategies for different groups

