My concern is to, say if a carrier now wins a customer and they get the subsidy for all the connections -- let's say a customer moves from wired world to a wireless. Today, on average, there's one point two lines per household -- 20 percent of the household have two lines. My concern is this thing called mobility.

It's a different thing than head to head competition. And so what I see happening, is I see business plans on the wireless side where they're selling -- and it's a wonderful strategy and it's a good thing -- selling multiple wireless lines to a home.

A couple of years ago -- I have two children -- we ended up -- we were on their way to college -- so we ended up buying four wireless connections. How many wireless connections, in that example, do you subsidize? If you subsidized one, then there's, to me, no issue. If you subsidize two, or however many wireless lines they take, then you still have an issue.

And so, just to give you a perspective, if all of a sudden customers move to the wireless because they like their business proposition that says, you know what, I can have multiple connections for everyone in the household. Well, all of a sudden, instead of having on average one point two connections per home, I might have two, I might have two point two.

For every connection that you add, if there are -- let's just say 10 million rural lines out there -- 60 percent of the households today have wireless -- all of a sudden there's 3 billion dollars currently going to the parties through the USF mechanism.

I can easily see, of that 3 billion, maybe 60 percent of that where they have wireless and they have multiple lines. You could all of a sudden increase that size of the fund by a billion and a half, a billion eight dollars.

And so my question is, ultimately, whatever decision you go down, I would hope you ask the question, what is the incremental effect to the size of the fund. And if you go down Verizon's path and you still allow as many wireless connections, or however the business strategy is, you're setting it up for the fact that they fund grows, and potentially significantly.

With regard to the administration issue, I think it was already identified that on the slick side many states, many companies already have a primary versus a non-primary rate. I admit there are administrative issues, but they have been solved, they can continue to be solved.

And my final point on this is if the various parties are pulling 3 billion dollars of USF and that ultimately is a way -- by the way, I'm not even suggesting that you change the 3 billion dollars, if it's 3 billion, still continue to do it, but do it on primary lines, or the one connection -- they'll find a way, if you're getting 3 billion dollars, I think you every incentive to figure out an administratively workable way.

COMMISSIONER ABERNATHY: Does this problem go away though if we move away from support per line to a mechanism as we discussed on the previous panel, where we're looking at, you come up with your costs, and to the extent the costs are above a certain level, then your funded based on those costs.

Remember we're not really looking at per -- it was never per-line support anyway, until we got ATC -- you're really looking at, can you price at a level that's reasonable for the consumers. So would this issue of having to have a concern about multiple lines go away if you're really looking at cost and support based on your cost?

MR. LUBIN: Wonderful question. I'm always looking at the answers to these in questions in terms of unintended consequences and economic incentives. And my concern is, yes, the issue of primary/non-primary goes away. You've just created another issue.

And the other issue is, if ETC status is granted, and now you have multiple carriers coming in, and now you have multiple networks who will get subsidy, and so I ask the question of, okay, with that model, what are the impacts on the size of the fund? And, quite candidly, I con envision, with the size of the fund -- even grows potentially larger.

My only point here is when we ask those questions -- very important questions -- always be asking the question, what's the consequence of the economic incentive under the unintended consequences? And my fear began on that one because you are, in effect, going to hand out subsidy dollars for each network that's granted ETC status.

COMMISSIONER ABERNATHY: Assuming again they are -- their costs are above a certain threshold. But, you're right, it still goes back to what are the economic -- what's the economic analysis that's going into the decision about whether or not to enter a particular market? And what percentage of that over all equation is the universal support mechanism? How important is that and how much does it come into play and then how much pressure does it put on the fund.

MR. STAIHR: Just to kind of tag team off of where Joel was, I agree that is concern for unintended consequences is something we need to think about. And that's part of what you get when you get to a situation of designating a certain carrier as a primary type of thing, because the unintended consequence is, all of a sudden the universal service support becomes a marketing ploy.

It becomes something that people use. Sign up from me, call me your primary carrier and I'll give you this discount. I don't think anyone ever intended that to be part of it.

But, again, going with the concern of the growth of the fund -- and that's where I started my comments -- there are lots of different ways to control that. The capping of the study area total is one way where you can have multiple connections and you don't get into the playing the support as a marketing ploy because it tends to be across the entire study area, but you have addressed that growth issue.

MR. GREGG: Mr. Staihr, are you saying that carriers might actually have to compete for universal service support?

MR. STAIHR: Well, it ends up being like dropping the puck at the beginning of the hockey game, right? Here's the money, you guys fight it out for it. Which is fine, but you should be fighting for the customer, not for the subsidy.

MR. GREGG: That goes with --

MR. ROWE: How is --

MR. GREGG: -- the customer. Go ahead.

MR. ROWE: How is the incentive different by capping support for the study area on the one hand, or competing directly for the primary line?

MR. STAIHR: Because, to use Joel's example, say you have a household that has three wire line lines that all get support. And they're thinking, oh, well, maybe I'll move to get three wireless lines. Well, they all get support.

If you cap the study area total, the support will be the same across the technologies. It maybe less, but it'll be the same. Which takes it out of the competitive issue.

MR. LUBIN: Could I clarify? Because that's another, I'll say interesting idea. And, quite candidly, from where I sit -- now where do I sit here is, I'm interested in controlling the growth of the fund.

What Brian just highlighted is a rational way of controlling the fund. That certainly is fine with me. But, again, I want to raise unintended consequences. And the issue here -- and that's why this is a very difficult problem.

The unintended consequences -- let's take the incumbent LEC -- let's just hypothetically say the incumbent LEC has 1,000 lines. And a new entrant comes in, and the new entrant does not win one of those 1,000 lines. They come in with a wonderful mobility package and they sell very quickly 300 lines.

So all of a sudden, instead of 1,000 lines -- let's say getting a million -- kind of pick a number -- 1,000 lines getting $20,000. You now have a wireless entity -- and I don't mean to pick on wireless, but that's the business plan I see, where they're competing, but they're not winning one of the 1,000 lines.

So they put in this package, they sell 300 new wireless connections. So, as I understand what Brian is saying, the $20,000 remains fixed, but the wireless carriers would get 300 over 1300, roughly 22 percent of the fixed amount.

And so here again you have the public policy question, do you want a model where a new entrant comes in, the incumbent doesn't lose one line, but their USF that they draw drops 22 percent.

Now, you know, maybe that's a good answer. It certainly solves my issue of controlling the size of the fund. But here again, I just want to highlight is, we have two different questions.

One question is you're competing head to head and a wireless company wins one of the 1,000 lines versus a mobility question that customers want more mobility, and they may want it for a lot of people in their household.

That's why you end up with having 30 percent growth in connections.

So, again, there are clearly, from my point of view, two different questions. And that's why we get all -- that's why I got confused for quite a while. And my confusion is, do you use the same per-line subsidy? And I say, yes, you use the per-line subsidy the same when you're competing head to head for that 1,000 lines.

But when you're asking the public policy question, should I subsidize those new 300 lines for mobility, that's a different question. And I'm not saying you shouldn't, but the determination -- and now where Commissioner Abernathy is -- when you asked the question of those 300 lines, you ought to be looking at the cost for those 300 lines would benchmark for mobility.

Maybe it's $30, maybe it's $40, maybe it's 25, I don't know, and compare their cost for the new mobility lines. That's a different question than competing head to head for the existing 1,000 lines.

MR. DUNLEAVY: Let me shift a little bit here. Setting aside for a moment the network support versus the per-line support issue. Just, arguably, assume per-line support for the primary line, is there a number below which or above which support for service or competition become negligible? Is it one dollar? Is there an actual number?

Is it an absolute number?

MR. LaFURIA: I'm not sure I understand the question, sir.

MR. DUNLEAVY: Well, I'm suggesting now, is there a level per-line support below which its impact on universal service is negligible?

MR. LaFURIA: I suspect that varies by areas.

MR. DUNLEAVY: Okay.

MR. LaFURIA: You know, do --

MR. DUNLEAVY: But there is -- that's -- there is such a thing? There was a way to get there? Is that an economic issue, Mr. Staihr?

MR. STAIHR: Yes, actually it is. I think if you were to look at Sprint's local territory, which is extremely rural and we get a lot of federal USF. But in some cases we only get a dollar or two per line. If you were ask our, you know, the people who specifically work in those areas if that makes a difference, absolutely, because we're counting on that money right now.

Now would it make a difference in terms of a new investment decision? I think in varies situations it absolutely could. I think there are also other areas, other regions where it wouldn't. It's kind of a non-answer, but I really think that's the answer.

COMMISSIONER ABERNATHY: But does it really go, ultimately, to the over all business decision you make about how much -- if I'm the next one in the market, not the first in the market, there's already somebody there. So I'm the second one to the market, I won't get full penetration, how much can I predict?

And then so does it really go to the over all business decision you make about how many lines and how much profitability do I need to justify entering that particular market?

MR. STAIHR: Yes, I think it would -- absolutely does, yes.

MR. LaFURIA: Commissioner, if I could just add to that? It absolutely does and it is only the per-line support methodology that will properly drive those decisions in an efficient manner. If carriers are paid upon their own costs, I look at that as nothing short of corporate welfare for both companies or both competitors in the marketplace.

That is, if you're going to support multiple networks, and if the second network in is paid on their own costs, then we set up a model and a competitor comes in and they say, this is higher cost for us and we're above the threshold and we need support. And they get it, and they go in and they enter.

They're going to get dollars that permit them to build a complete network throughout an area whether it's appropriate to be built or not. And there is not corresponding bumping of heads in the marketplace between the incumbent and the new entrant, because there's no incentive for that bumping of heads.

When you set the support at one level and say it's $10 for this area, come and get it, you force each competitor in the marketplace to find a way to provide service at the most efficient level.

MR. ROWE: Thanks. Let's stay with this discussion of the difference between determinate costs on the one hand and figuring out how to allocate payments on the other, particularly if you're basing support on the wire line network.

It seems to be relatively clear that the incremental cost of a second line starting with the loop up through the switch transport is probably not terribly significant. I suppose if you're using wireless cost, it'll look different. But even there, as you add customers, you can give -- there's some tolerance before you have to actually reinforce the upstream network function.

So, is that correct, and, in fact, are we not talking about the cost of providing service to a second line, but simply dealing with the implications of making payments for multiple lines? Is that correct, as far as we go?

MR. REIF: You know, I think that paying support on a primary line basis could be properly implemented if you had effective competition in a marketplace first. The way the system is currently set up, if you jump to a primary line payment only -- and however you define it and whatever other requirements you come up with -- the competitor coming into the marketplace on a per-line basis can't possibly step in and construct enough network facilities to make it work because they're only getting paid on a per-line basis.

And it goes back to the, you know, would you construct this market if your return is somewhat guaranteed over a reasonable period of time. ILECs have operated under that system for a long time. I'm not suggesting -- and our comments haven't suggested -- that wireless should be under purely the same mechanism today.

What I am suggesting is that, if you flash cut to primary lines only today in areas -- not in the town of Bluefield where I described earlier, but out in the outer lying areas -- there's no way to -- for -- a competitor, no matter what technology they use, to jump into the marketplace and say, we're going to invest hundreds of thousands if not millions of dollars in this area in the hope that we can win over a few customers here at the outset.

There's not the possibility of return or the substantial expectation of return that the Commission very clearly said needs to be present -- I believe it was in the South Dakota Preemption Order in 2000 -- and that's the barrier to entry that is being erected here.

If we transition to this, and reached a point where competitors were effectively competing with each other, where a competitor takes market share away, then it could work.

And, finally, I will say in response to Mr. Lubin, I don't represent a single client, and I don't know of any --

MR. ROWE: That's not responsive to my question, though, I don't believe.

MR. REIF: I'm sorry.

MR. ROWE: And, again, going back to the distinction between the cost of providing service -- the incremental cost of second lines on the one hand versus how you determine the basis for payment. Were the assumptions -- first of all, were the assumptions behind my question correct?

MR. STAIHR: With regard to the way support is calculated now, not for rural companies and not for non-rural companies, is there a difference in the cost between a primary and a secondary line? For rural companies it's total cost; for non-rural companies the model calculates all lines. It doesn't separate out second lines.

So when you're talking about the cost per line in an area, right now the way support's calculated, it's all the same.

MR. ROWE: So on the payment side of that, that's what we're really focusing on. How to either avoid underpaying or overpaying for the network. Is that a fair statement?

MR. STAIHR: Yes, and just to -- and I hope I'm not going off track here -- the way the costs are calculated right now, assume the entire economy is at scale that are associated with the incumbent's network, okay? Those are not necessarily the economies of scale, but can be instantly replicated by any new entrant. And so in that sense, they actually could very well underestimate the actual costs.

MR. ROWE: That's back to your point.

MR. REIF: Yes. That's what I was trying to get to.

MR. ROWE: Okay. Anyone else want to respond to that? Thank you.

COMMISSIONER ADELSTEIN: Just to try to get a sense of -- a lot of us are trying to understand what the scope of the savings would be from some of these different proposals. And to try to get our mind around what the facts are, because we talk a lot about whether it's a primary or secondary line, this rise of wireless substitution.

But I'm wondering if we have any evidence documented or any studies about what percentage of customers in rural states that are going to wireless service are using that as a primary line or primary connection. Are they really cutting the cord, or do we have any sense what the scope is of how many are primary lines and how many are just additional lines in the house?

MR. LaFURIA: I would say -- I would only be able to talk for you anecdotal evidence from the folks that I work with and that is that in the towns, the primary areas where they serve and where we contend support may not be necessary, there is a level of substitution which is equivalent to or even greater than what you see in urban areas today. And we have every reason to believe it's going to increase.

These carriers are providing offerings out in the more remote areas where it is higher cost, but they are not finding the same level of uptake out there in substitution simply because consumers out there, at this date, do not have the ability to look at that phone and say, gee, I can use this phone everywhere I live, work and play. I can use it in my community, I can depend on it for 911 when I leave the house.

So therefore it's a complimentary service. When

I'm on the road, when I go to town, and maybe when I'm in my home. It is that gap which I contend we need to fill.

MR. LUBIN: The only emperical data that I have is what I referred to early on whereby the wireless lines went from 45 million to 141 million at the same time we see that the households went -- that have telephony -- went from 101 to 109 at the same time where the penetration of telephony also grows.

So the emperical data suggests that wired lines are increasing at the same time wireless lines have -- went up by more than factor three. The intersection, though, here is that, if a customer -- from my point of view -- if a customer is substituting the service -- meaning they are dropping a wired line to get a wireless line -- then they should get the same subsidy per-line that the incumbent gets because it's head to head competition.

The second question of, do I want to subsidize mobility in and of itself -- which, by the way, is a very legitimate questions -- should I upgrade the infrastructure in rural America to be that of urban America? That's a legitimate question.

All I'm saying is, I think we need to literally evaluate that stand alone, and when you're evaluating that, then all of a sudden the subsidy per line that you're getting when you substituted is different for all the reasons that have previously been said.

COMMISSIONER ABERNATHY: -- another carrier for the wireless, are you then suggesting that they get support for both of those lines because it was somehow -- there's head to head competition when it's wireless for wireless or -- is that what you were suggesting?

MR. LUBIN: No. What I'm suggesting -- I missed the first part of what you said, so I'm sorry if I's repeating --

COMMISSIONER ABERNATHY: Well, you very carefully distinguished in your comments, head to head competition --

MR. LUBIN: Yes.

COMMISSIONER ABERNATHY: -- and stated that's only when it's appropriate for the support to be, but what if a customer has wireless and wire line support from an incumbent, and then they switch just the wireless part of what they purchased. Should they then receive support for both of those services because there's head to head competition wireless to wireless?

MR. LUBIN: From where I am is there should be -- when you're looking at a primary line -- and maybe the question is, who decides the primary line, and I would say the customer decides the primary line -- but there should be one line which should get the subsidy and that could be a wired or wireless.

So there's only one connection in a household that gets the subsidy, it's wired or wireless, the customer makes the decision based on the package that each party presents to them.

COMMISSIONER ABERNATHY: Okay.

MR. LUBIN: I'm not saying that we shouldn't subsidize more mobility lines, what I am saying is that's a separate question. And when you analyze that question, the subsidy per line that one should be looking at is very different than when you're competing head to head.

And that's -- and so what I find myself is -- I agree with the incumbent LECs on a lot of the issues. I agree with the wireless carriers on a lot of the issues.

COMMISSIONER ABERNATHY: Uh, huh.

MR. LUBIN: Okay, but what I'm saying to you is, for me these issues get confused because they're not uncoupled.

COMMISSIONER ABERNATHY: When you're talking about competing head to head, do you mean that once an entity comes in, seeks ETC status, takes on the obligations associated with being an ETC, that's competing head to head? Is that what you would say?

MR. LUBIN: Yes, with one other constraint, which is you're competing head to head for the primary line. See, once you say competing for multiple lines, the whole -- it just becomes thoroughly confusing.

COMMISSIONER ABERNATHY: And so --

MR. LUBIN: The reason --

COMMISSIONER ABERNATHY: And so then you -- would you say select a carrier or select a line? Administratively, what do you think --

MR. LUBIN: For me it's select a line and a carrier. And the reason I say that is you're only going to subsidize one.

COMMISSIONER ABERNATHY: Right.

MR. LUBIN: You're not going to subsidize two. However, when I say that, I want to be clear as I do believe you need to have a separate review as a good public policy on the mobility in and of itself to upgrade that infrastructure for mobility. That's a different question of what USF is for.

COMMISSIONER ABERNATHY: But --

MR. LUBIN: And the answer might be -- yes, the answer might be no.

COMMISSIONER ABERNATHY: But that question was solved -- I thought addressed a long time about -- ago -- by the FCC when, fundamentally, it awarded all these licenses for rural America and did not provide any support and the business models either supported investment or didn't support investment.

But that's kind of different than when a wireless carrier comes to the table and says, I now want to enter the world of being a carrier of last resort and being authorized to be classified as an ETC.

MR. GREGG: On the issue that was partially raised by Commissioner Adelstein on the impact on the size of the fund from limiting support only to single lines, to primary lines, Mr. Reif, NASUCA estimated at page 2 of its reply comments that limiting support to primary lines would reduce the fund by 336 million dollars.

First off, is that correct? And do any of the other parties have any other estimates of the impact? And I would like to hear from Mr. Lubin concerning the impact of his rebasing proposal for rural carriers, of limiting it primary lines.

MR. REIF: You remember the comments very well. That is a precise recollection.

MR. LUBIN: To me they're two issues. One is the -- what's the incremental size of the fund? And, quite candidly, for me the issue is not what the incremental size of the fund would be today, I'm worried about once you create a clear and bright rule such that the economic incentives are going to be very clear and all of a sudden, if it's for every line or connection, then I can see easily that wireless would have a good business strategy to enter very aggressively.

And what you see today is not what you're going to see two years from now. And I can easily see -- based on the fact that, you know, people want mobility -- I can see easily the size of the fund easily growing by more than a billion dollars.

The second question that has been raised, if I understand it correctly, is what -- how much money would be saved if we went to primary line. There are two ways of implementing that -- I'm sure there's more than two ways -- but if you did that, I would estimate, since there's roughly 20 percent of the line -- households have second lines, we haven't been able to figure out the business aspect because that would also be another contributing factor -- but, just rough justice, you would decrease it by roughly 20 percent.

But -- here's my but -- I've raised unintended consequences on other issues, and let me talk about unintended consequences on what I've described -- is that what AT&T has suggested to minimize disruption that you can keep the size of the fund where it is and just spread it over primary lines, such that you are not disruptive in the marketplace. The alternative is, roughly, rough justice, lower than 20 percent.

Realizing -- and it was raised earlier -- if you only support the primary line, there are 20 percent of the households who have a second line. What do you do about that? And you have to, I think, be prepared to say, okay, I'm not going to give a subsidy to those second lines.

And it's not so much a day one issue, but it is a going forward issue. Am I going to allow the rate for the second lines to rise by virtue of the subsidy that they otherwise would have gotten? In other words, it's one thing to say, I'm going to subsidize the primary and not the other lines, but if I do that, then, you know, if their costs are high, you're going to have to give rate flexibility on that second line.

So, what I'm just trying to highlight to you is, you know, on each solution one has to look at the consequences and that's one of the consequences that I see. Obviously, there's many variations of what I'm talking about, but that -- those are the kinds of things that we have highlighted.

MR. GREGG: And that would be a state issue, what carrier's charge in those particular states would be up to each state.

MR. LUBIN: Again, multiple -- one answer is yes. When it comes to -- I'm trying to be forthright with you.

MR. ROWE: Are you a lawyer or an economist?

MR. LUBIN: I am neither. Is that -- yes, on the local side it could be a state issue, but, you know, I have interstate slicks. I mean I don't know where the various parties would come from. I mean some parties might say, hey, it's in the interstate jurisdiction, if you're going to do this I want flexibility on my interstate slicks. I don't know. But I can see that as another option.

COMMISSIONER ABERNATHY: Although, don't you also have to factor in -- I don't know, but I think that second lines are generally priced well above the cost of actually having a second line anyway, so then you have to factor all that in.

MR. LUBIN: Yes. Now, yet that's a fair point. And now the issue is really just how complicated do you want to get. But I think that's a very valid point.

MR. LaFURIA: Mr. Gregg, if I might -- go ahead. I'll follow you.

MS. GUYER: I think Joel raises a lot of dilemmas that we had considered and that's why, ultimately, our proposal was meant to reflect a measured, I guess, step towards trying to contain the growth of the fund by going to the issue of capturing the customer and then leaving the multiple lines covered. It was a measured step, trying to avoid a lot of these dilemmas.

Let me also mention that in the data that we had looked at, it wasn't at 20 percent, I think it was closer to 15 percent. Perhaps we had different data that we rely on in terms of customers who have multiple lines.

MR. LaFURIA: I think the testimony here thus far that I've observed is that we are looking at a lot of potentially unintended consequences, and it seems to me that the first order of business should be to select the easiest to implement and the most competitively neutral alternatives to grow -- control growth of the fund.

And if moving ILECs to forward-looking economic costs, implementing full portability, and capping support and disaggregating support do the trick in the short term to permit this transition period to occur that Mr. Wood talked about, then we can avoid a number of the administrative problems and potentially severe unintended consequences that everyone here has talked about.

COMMISSIONER ABERNATHY: Go ahead.

MR. STAIHR: I was just going to add real quickly -- and I just wanted to ask -- I understand everything, Joel, you talked about, but how -- I don't understand how your situation works with the situation I described earlier with two people in the same house, each with a primary line.

MR. LUBIN: I'll be glad to answer it -- I've got two answers. One, legitimate issue. The issue exists today when you have primary and non-primary slicks --

MR. STAIHR: Oh, they both paid the primary slick.

MR. LUBIN: Okay, you know, then that -- if that's a reasonable convention, then follow that reasonable convention and develop a record and the records probably there because you can say, hey, that's already the way it works.

Now my point here is, there's over 3 billion dollars that the companies are receiving and you need to figure out a way to constrain the growth and if this is a rational way to do that, then people who are receiving 3 billion are going to figure out rational ways and the most economic way to administer it.

MR. ROWE: I'd like to change the topic if I could and would appreciate hearing all of you fight about the billing address question for a minute or two. Is that a big issue or not? If it is an issue, is it appropriate to require something and if so, what should that be and what kind of verification should be required? Assuming there will be a couple of different strongly held opinions on this one.

MR. LaFURIA: Well, the wireless carrier -- I guess maybe I should go first on this one. I'm -- whatever method you select should be similar, if not the billing address. That is, the billing address is administratively simple, it's easily verifiable and auditable and it does the job.

I believe this is a complete non-issue that has been raised in the comments with respect to wireless carriers. The most important thing is the ensure that wireless carriers, or any other competitive carrier that enters a high-cost market, spend those dollars where they belong.

When you target a customer's billing address -- or residence address, whatever you use -- to a spot, and that customer buys some enhanced package of service that allows them to roam in New York, it's been alleged that, well they're using a supported phone to have service in New York. And that is simply not true.

Consumers who purchase services that allow them to have nationwide functionality pay for that service out of their own pocket. They pay incremental revenue. It would be vertical services in the wire line parlance. So those dollars coming in are not being used improperly.

They are only used improperly if a carrier takes revenue dollars that are support and spends them in an improper fashion. So as long as the dollars are being spent in the targeted high-cost areas, then the purpose of the program is being accomplished.

MR. GREGG: Mr. LaFuria, just to follow up over on you. Would it be proper for a wireless carrier to serve a customer with multiple locations throughout his service territory, like an insurance company, and to have all those bills delivered to a P.O. Box in a high-cost wire center, and thus receive excessive high-cost support because of that billing address?

MR. LaFURIA: Absolutely inappropriate. No question about it. If that insurance company has an address that is their primary billing address and that's what they give a carrier, that's what should be used. Any carrier that goes to a customer and says, if you use a P.O. Box over here, I can get more support, that's absolutely inappropriate.

And I -- you know, there's -- given what most of these wireless carriers have at stake, I would think it would be the kind of a risk and the kind of an activity that would be extremely unlikely to occur.

MR. GREGG: Okay. Thank you, sir.

MR. STAIHR: If I could just follow up, it's just as often that it happens the other way. If you've got parents in Kansas City and their kid goes to school in Tarkio, Missouri -- a little bitty town up in northwest Missouri, which is a high-cost area -- the billing address is in Kansas City -- not a high-cost area -- they get no support for the phone, even though the phone is operated in and using the facilities in a high-cost area.

So the billing address discrepancy works both ways. I don't know if, on average, it tends to even itself out, but I don't have any reason to believe one way or the other.

COMMISSIONER ABERNATHY: Okay. Any last questions? We're doing great, then. This is great. We'll finish up -- this panel up -- a little bit early. That allows a little bit more time for folks to get out and get some lunch. The next panel starts again, I believe, at 1:30 --

MS. THOMPSON: One fifteen.

COMMISSIONER ABERNATHY: One fifteen? Oh, I lied. One fifteen. So if the last panel could be back here in the room at 1:15, we will start it. And I want to again thank everyone for coming.

(Whereupon, at 12:00 p.m., the meeting was recessed.)

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