

IX. CONCLUSION

The current “universal service” system does not benefit low-income residents in rural areas. Whatever gains are available from lower phone rates result in higher housing costs, meaning that landlords and landowners gain – not poor renters. Moreover, those gains have largely vanished as competitive network options have emerged. According to standard data sources, no more than two or three percent of Americans are beyond the reach of communications systems offering an alternative to traditional fixed line phone service.

The “universal service” system has never achieved more than 95% penetration for fixed-line telephony, despite decades of policy effort, and tens of billions of dollars in transfers – from phone users to owners of rural phone companies – ostensibly required to achieve this goal. By the metric established by the policy itself, then, wireless, cable TV, and satellite networks have all achieved universal coverage of the U.S. market – without \$7 billion in annual taxpayer funding.

Traditional fixed-line service supplied by rural carriers is exceedingly expensive due, in large measure, to government subsidies yielding inefficient incentives. This is revealed by the many rural telephone companies, which manage to spend over \$500 per year per subscriber just on *corporate overhead*. This level of performance is remarkable, among other considerations, because wireless phone subscriptions with unlimited U.S. calling are now available for \$420 annually.

Were the goal of extending phone access rationally met, alternative technologies would be seen as viable options to replace the system of cost-plus subsidies to incumbent carriers. It would be cheaper to purchase a \$3,000 solar-powered, self-contained satellite

phone booth for each residential unit than to continue doling out payments to the highest cost rural carriers, which now receive as much as *\$13,345 per line per year* to provide service to remote areas. The majority of the annual \$3.7 billion High-Cost Fund could be eliminated by simply identifying the one, two, or three million households not reached by cable TV or mobile wireless networks and paying residents to install enhanced antennae, cellular repeaters, or satellite phones.

Sending \$3.7 billion annually to inefficient, high-cost RLECs succeeds in transferring income from telephone users to phone company stockholders, but it does almost nothing – even under favorable assumptions – to expand access to telephone networks. The conservative estimates produced herein suggest that each incremental subscriber line added via High-Cost Fund subsidies costs from *\$4,500 to \$5,500 annually*, an extraordinary sum that is at least five times the cost of retail satellite phone subscriptions that include local minutes, free domestic long distance, and free text messaging.

This is the predictable outcome of a system that clings to existing technologies and rewards incumbent carriers for inefficiency, increasing payments as costs rise. Profits are so generous that some carriers owned by co-ops pay their members annual dividends that exceed their members' local phone charges. Publicly listed RLECs not only realize healthy profits, company cash flows are considered relatively safe, given that government subsidies virtually guarantee high rates of return. This results in company shares being substantially more valuable per dollar of profit than other telecommunications firms that must depend on customer revenues. The average rural

carrier realizes some 30% of its revenues in state and federal subsidies, and over one-half in government transfers (including access fees).

These benefits are extracted from consumers of long distance telephone service. The tax burden, less than \$4 billion in 1998, rose to nearly \$7 billion in 2005. The dramatic rise in the tax on long distance services, leaping from 2.1 percent in 1997 to 10.9 percent in the second quarter of 2006, is forcing a re-evaluation of the funding mechanism. Alternatives are available, but introduce their own distortions. A fixed fee on telephone numbers, for instance, would impose over \$300 million annually in additional taxes on U.S. colleges and universities, while imposing taxes on the lowest-cost wireless services proportionally more than triple the average level. Such outcomes would harm low-income phone users, reduce network utilization, and sabotage the explicit goals of “universal service.”

A pro-consumer approach to the problems of the current regime focuses on eliminating its endemic waste and inefficiency. A first step would be a policy to cap and then reduce the HCF. One encouraging sign is that many policy makers, including FCC Chairman Kevin Martin, are considering the use of “reverse auctions” to assign universal service obligations.¹⁵⁴ Here, phone carriers compete to become the “provider of last resort” in areas where regulators deem local services (without subsidies) insufficient, bidding a price (paid by the government) to supply such services. Firms should be free to adopt any technology or network architecture, promoting innovation, and the effect of

¹⁵⁴ *USF Fans Weigh Martin's Reverse Auction' Idea, Capital Hill Reforms.* TELECOM POLICY REPORT (Apr. 3, 2006).

rivalry would push subsidy levels down to the actual cost of service, saving taxpayers billions of dollars.¹⁵⁵

The extreme inefficiency of the existing universal service system makes it relatively easy to devise reforms that achieve generous social benefits. Policies to deliver these savings are the superior alternative to tax increases, and would be welcomed by the millions of users of U.S. telecommunications networks.

¹⁵⁵ Reverse auctions to assign universal service obligations have been successfully utilized in other countries, including Chile. Jon M. Peha, *Tradable Universal Service Obligations*, 23 TELECOMMUNICATIONS POLICY (July 1999), p. 363-74.

APPENDIX 1

TOTAL UNIVERSAL SERVICE FUND PAYMENTS
(\$ MILLIONS)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
High Cost Fund (HCF)	1,132	1,188	1,263	1,690	1,718	2,235	2,592	2,935	3,259	3,488	3,734
Low Income (LI)	156	166	161	464	480	519	589	676	717	763	794
Rural Health Care (RHC)	0.0	0.0	0.0	3.4	4.3	10.3	18.6	21.4	18.8	30.2	41.1
Schools and Libraries (SL) Payments	0	0	0	1,401	1,662	1,650	1,660	1,477	1,406	254	55
<i>Additional Commitments (SL)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>295</i>	<i>488</i>	<i>424</i>	<i>543</i>	<i>726</i>	<i>1,233</i>	<i>1,751</i>	<i>2,195</i>
<i>Total Commitments (SL)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,696</i>	<i>2,150</i>	<i>2,074</i>	<i>2,203</i>	<i>2,203</i>	<i>2,639</i>	<i>2,006</i>	<i>2,250</i>
Total Expenditures	1,288	1,354	1,424	3,558	3,864	4,414	4,860	5,110	5,400	4,535	4,624
<i>Including Additional Commitments from SL</i>	<i>1,288</i>	<i>1,354</i>	<i>1,424</i>	<i>3,854</i>	<i>4,352</i>	<i>4,838</i>	<i>5,403</i>	<i>5,835</i>	<i>6,633</i>	<i>6,286</i>	<i>6,819</i>

Source: 1995-2004 data from the 2005 Monitoring Report, Tables 3.1, 2.2, 4.1, 5.1. RHC 2004 from the Second Quarter 2006 USAC Report, p.18. HC 2005 from Table 3.30 in the 2005 Monitoring Report. LI 2005 from the Fourth Quarter 2005 USAC Report pp.13-14. RHC 2005 from the Second Quarter 2006 USAC Report, p.18. SL 2005 disbursements from the Second Quarter 2006 USAC Report, p.25. The funding year 2005 for the SL fund through June 2006 – the total Commitments are assumed to reach the fund's cap of \$2.25 billion. According to the Second Quarter 2006 USAC Report, as of Dec. 2005, \$1.146 billion has already been committed.

APPENDIX 2

HIGH-COST SUPPORT FUND PAYMENTS
(\$ MILLIONS)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
High-Cost Loop Support (HCLS)	750	763	794	827	864	874	927	1,045	1,085	1,137	1,196
Safety Net Additive Support	0	0	0	0	0	0	0	0	9	12	15
Safety Valve Support	0	0	0	0	0	0	0	0	0	0	5
High-Cost Model Support	0	0	0	0	0	219	206	233	234	273	291
Long-Term Support (LTS)	382	426	470	473	473	478	492	493	504	275	0
Interstate Common Line Support (ICLS)	0	0	0	0	0	0	0	173	409	727	1,107
<i>LTS + ICLS</i>	382	426	470	473	473	478	492	666	913	1,002	1,107
Interstate Access Support (IAS)	0	0	0	0	0	279	577	615	622	642	675
Local Switching Support	0	0	0	390	380	385	390	376	396	422	445
Total High-Cost Support	1,132	1,188	1,263	1,690	1,718	2,235	2,592	2,935	3,259	3,488	3,734

Sub-funds do not sum to total due to rounding.

Source: 2005 Monitoring Report, Table 3.1.

APPENDIX 3

LOW INCOME SUPPORT

Year	Payments (\$ Millions)		Beneficiaries (Millions)		Payment per Beneficiary (\$)	
	Lifeline	Link Up	Lifeline	Link Up	Lifeline	Link Up
1995	137.3	18.4	4.91	0.82	27.94	22.33
1996	148.2	18.2	5.23	0.81	28.32	22.57
1997	147.6	13.7	5.11	1.5	28.88	9.13
1998	422	42.5	5.38	2.2	78.43	19.34
1999	446.2	34	5.64	1.83	79.11	18.53
2000	488.6	30.4	5.89	1.69	82.95	17.99
2001	558.6	30.9	6.2	1.69	90.08	18.22
2002	645.1	31.2	6.63	1.69	97.29	18.48
2003	685.7	30.8	6.64	1.68	103.31	18.38
2004	730.7	32.2	6.97	1.71	104.85	18.83

Source: 2005 Monitoring Report, Table 2.1 & 2.2.

APPENDIX 4

DISTRIBUTION OF SCHOOL & LIBRARY PAYMENTS

<u>Year</u>	<u>Total Payments</u>	<u>Libraries</u>	<u>Schools</u>	<u>School Districts</u>	<u>Other Consortia</u>	<u>Internal Connections</u>	<u>Internet Access</u>	<u>Telecom</u>
1998	\$1,400,748	\$50,325	\$83,474	\$1,070,822	\$196,127	\$797,976	\$94,931	\$472,265
1999	\$1,662,142	\$47,462	\$140,312	\$1,276,327	\$198,042	\$1,112,370	\$95,836	\$432,290
2000	\$1,649,949	\$43,718	\$87,509	\$1,386,150	\$132,573	\$1,035,433	\$134,798	\$479,718
2001	\$1,659,630	\$41,914	\$120,884	\$1,358,546	\$138,287	\$991,397	\$149,281	\$518,951
2002	\$1,477,165	\$41,117	\$99,705	\$1,178,487	\$157,855	\$721,945	\$166,354	\$588,866
2003	\$1,405,803	\$41,396	\$107,343	\$1,124,256	\$132,809	\$635,457	\$184,497	\$585,849
2004	\$254,266	\$10,367	\$20,068	\$193,541	\$30,289	\$60,462	\$63,021	\$130,783

Source: 2005 Monitoring Report, Table 4.1.

APPENDIX 5

ILEC PROFITABILITY

	EV/EBITDA ¹	P/E ²	Price/Book ³	EBITDA Margin ⁴	Indicated Dividend Yield ⁵	Spread (bps) ⁶
LARGE-CAP TELCOS						
Verizon Communications, Inc.	5.16	12.82	2.29	37.72	4.94%	-11
AT&T, Inc.	9.00	14.96	1.81	31.49	5.20%	16
Bellsouth Corporation	7.61	17.90	2.52	41.89	3.52%	-153
Qwest Communications International, Inc.	6.40	N/A	N/A	28.20	N/A	N/A
Alltel Corporation	8.04	19.23	1.92	38.29	2.36%	-269
Average	7.24	16.22	2.14	35.52	4.01%	-104.00
MID-CAP RURAL TELCOS						
Centurytel, Inc.	5.40	15.11	1.42	51.16	0.64%	-441
Cincinnati Bell, Inc.	6.48	16.50	N/A	39.38	N/A	N/A
Citizens Communications Company	6.94	22.81	4.17	53.12	7.56%	252
Telephone and Data Systems, Inc.	5.81	25.70	1.35	26.57	0.97%	-408
Average	6.16	20.03	2.31	42.56	3.06%	-198.83
SMALL CAP RURAL TELCOS						
Alaska Communications Systems Group, Inc.	6.45	N/A	N/A	39.34	7.22%	218
Commonwealth Telephone Enterprises, Inc.	5.70	13.29	13.20	50.90	5.93%	89
Consolidated Communications Holdings, Inc.	N/A	N/A	2.29	N/A	10.11%	507
CT Communications, Inc.	4.86	17.01	1.27	31.37	3.05%	-200
D&E Communications, Inc.	N/A	14.20	0.96	N/A	4.05%	-100
FairPoint Communications, Inc.	8.09	3.92	1.86	45.43	12.11%	707
General Communication, Inc.	6.56	27.09	2.43	34.45	N/A	N/A
Hector Communications Corporation	9.14	18.56	1.93	48.48	1.35%	-370
Hickory Tech Corporation	7.31	12.72	3.05	36.39	5.90%	86
Iowa Telecommunications Services, Inc.	7.73	11.98	2.03	54.31	8.84%	380
North Pittsburgh Systems, Inc.	5.12	15.91	3.62	45.07	3.16%	-189
Shenandoah Telecommunications Company	8.06	31.12	2.79	28.79	1.04%	-401
Surewest Communications	8.70	53.70	1.49	25.43	4.23%	-82
Warwick Valley Telephone Company	35.48	23.78	3.01	9.89	3.58%	-147
Average	9.43	20.27	3.07	37.49	5.43%	38.35

Source: Bloomberg.

¹ Defined as the ratio of enterprise value to trailing twelve month EBITDA. EV/EBITDA data correspond to December 31, 2005 except for those of Telephone and Data Systems and SureWest, which correspond to June 30, 2005.

² Defined as price to earnings ratio. Data as of April 14, 2006.

³ Defined as the ratio of a stock's price divided by the book value per share. Data as of April 14, 2006.

⁴ Defined as trailing twelve month EBITDA divided by trailing twelve month sales, times 100. Data as of April 14, 2006. EBITDA margin data correspond to December 31, 2005 except for those of Telephone and Data Systems and SureWest, which correspond to June 30, 2005.

⁵ Company yields from Bloomberg as of April 14, 2006. Indicated yield defined as the annualized rate of a security's coupon or dividend as a percentage of the current market price.

⁶ Spread defined as company dividend yield minus 10-year treasury yield in basis points. The 10 year treasury yield is 5.045%. Data from Bloomberg as of April 14, 2006.

APPENDIX 6

RURAL AND NON-RURAL ILEC CORPORATE EXPENSE

SUMMARY STATISTICS

RURAL AND NON-RURAL ILECS

Weighted Average Corporate Expense per Loop	\$77.50
Median Corporate Expense per Loop	\$150.46
ILECs count in sample	977
ILECs that exceed \$50 (Corporate Expense/Loop)	947
ILECs that exceed \$100 (Corporate Expense/Loop)	705
ILECs that exceed \$150 (Corporate Expense/Loop)	490
ILECs that exceed \$200 (Corporate Expense/Loop)	381
ILECs that exceed \$250 (Corporate Expense/Loop)	301
ILECs that exceed \$300 (Corporate Expense/Loop)	242
ILECs that exceed \$500 (Corporate Expense/Loop)	85
ILECs that exceed \$1000 (Corporate Expense/Loop)	16
ILECs that exceed \$2500 (Corporate Expense/Loop)	3

RURAL ILECS

Weighted Average Corporate Expense per Loop	\$98.58
Median Corporate Expense per Loop	\$166.89
Rural ILECs count in sample	892
Rural ILECs that exceed \$50 (Corporate Expense/Loop)	868
Rural ILECs that exceed \$100 (Corporate Expense/Loop)	684
Rural ILECs that exceed \$150 (Corporate Expense/Loop)	488
Rural ILECs that exceed \$200 (Corporate Expense/Loop)	380
Rural ILECs that exceed \$250 (Corporate Expense/Loop)	301
Rural ILECs that exceed \$300 (Corporate Expense/Loop)	242
Rural ILECs that exceed \$500 (Corporate Expense/Loop)	85
Rural ILECs that exceed \$1000 (Corporate Expense/Loop)	16
Rural ILECs that exceed \$2500 (Corporate Expense/Loop)	3

NON-RURAL ILECS

Weighted Average Corporate Expense per Loop	\$74.85
Median Corporate Expense per Loop	\$72.49
Non-Rural ILECs count in sample	85
Non-Rural ILECs that exceed \$50 (Corporate Expense/Loop)	79
Non-Rural ILECs that exceed \$100 (Corporate Expense/Loop)	21
Non-Rural ILECs that exceed \$150 (Corporate Expense/Loop)	2
Non-Rural ILECs that exceed \$200 (Corporate Expense/Loop)	1
Non-Rural ILECs that exceed \$250 (Corporate Expense/Loop)	0
Non-Rural ILECs that exceed \$300 (Corporate Expense/Loop)	0

Source: NECA, file "USF2005LC05.xls," <http://www.fcc.gov/wcb/iatd/neca.html>.

APPENDIX 7

2005 USF CONTRIBUTIONS AND RECEIPTS BY STATE (\$ THOUSANDS)

State or Jurisdiction	High-Cost Support	Low-Income Support	Schools & Libraries	Rural Health Care	Total		Estimated Contributions		Estimated Net Dollar Flow
					Amount	% of Total	Amount	% of Total	
Mississippi	\$186,961	\$3,080	\$24,420	\$97	\$214,558	3.78%	\$50,504	0.88%	\$164,054
Texas	\$231,715	\$66,709	\$194,960	\$3	\$493,387	8.69%	\$376,947	6.56%	\$116,440
Alaska	\$95,578	\$3,907	\$13,135	\$11,138	\$123,758	2.18%	\$18,428	0.32%	\$105,331
Arkansas	\$136,215	\$2,003	\$12,451	\$51	\$150,720	2.66%	\$48,922	0.85%	\$101,798
Oklahoma	\$101,990	\$21,265	\$36,574	\$30	\$159,859	2.82%	\$64,602	1.12%	\$95,257
Kansas	\$127,849	\$2,227	\$9,989	\$316	\$140,381	2.47%	\$51,475	0.90%	\$88,906
Puerto Rico	\$114,730	\$11,849	\$1,447	\$0	\$128,026	2.26%	\$42,644	0.74%	\$85,381
Louisiana	\$104,532	\$2,108	\$34,820	\$1	\$141,462	2.49%	\$79,445	1.38%	\$62,016
Montana	\$75,089	\$2,185	\$2,936	\$463	\$80,674	1.42%	\$20,764	0.36%	\$59,910
South Dakota	\$56,535	\$4,279	\$3,529	\$302	\$64,645	1.14%	\$14,050	0.24%	\$50,594
North Dakota	\$54,797	\$3,168	\$3,165	\$390	\$61,519	1.08%	\$13,004	0.23%	\$48,515
Alabama	\$99,527	\$3,120	\$25,986	\$27	\$128,659	2.27%	\$83,254	1.45%	\$45,406
Wyoming	\$55,526	\$710	\$1,193	\$121	\$57,550	1.01%	\$12,667	0.22%	\$44,883
New Mexico	\$50,978	\$7,630	\$22,541	\$155	\$81,304	1.43%	\$38,593	0.67%	\$42,711
Iowa	\$81,842	\$4,475	\$8,727	\$127	\$95,171	1.68%	\$54,802	0.95%	\$40,370
West Virginia	\$68,429	\$650	\$5,564	\$72	\$74,715	1.32%	\$36,526	0.64%	\$38,189
Idaho	\$54,001	\$3,643	\$2,977	\$80	\$60,700	1.07%	\$28,532	0.50%	\$32,168
Wisconsin	\$103,452	\$8,283	\$10,982	\$739	\$123,456	2.18%	\$96,767	1.68%	\$26,689
Kentucky	\$71,028	\$7,166	\$16,383	\$450	\$95,026	1.67%	\$69,578	1.21%	\$25,448
Minnesota	\$95,466	\$5,320	\$16,540	\$748	\$118,075	2.08%	\$93,855	1.63%	\$24,220
Arizona	\$78,320	\$19,698	\$35,537	\$461	\$134,016	2.36%	\$110,660	1.92%	\$23,356
Nebraska	\$47,039	\$2,151	\$6,361	\$594	\$56,146	0.99%	\$33,527	0.58%	\$22,619
Vermont	\$31,565	\$3,024	\$1,077	\$1	\$35,667	0.63%	\$14,953	0.26%	\$20,714
South Carolina	\$76,058	\$2,922	\$24,879	\$4	\$103,863	1.83%	\$83,569	1.45%	\$20,295
Maine	\$31,037	\$9,471	\$6,286	\$2	\$46,796	0.82%	\$26,524	0.46%	\$20,272
Virgin Islands	\$21,653	\$0	\$3,170	\$114	\$24,936	0.44%	\$5,058	0.09%	\$19,879
Oregon	\$71,498	\$6,036	\$11,010	\$3	\$88,547	1.56%	\$71,889	1.25%	\$16,659
Guam	\$7,229	\$437	\$3,387	\$0	\$11,052	0.19%	\$2,717	0.05%	\$8,335
American Samoa	\$1,959	\$64	\$1,792	\$0	\$3,816	0.07%	\$109	0.00%	\$3,707
Mariana Is.	\$881	\$82	\$727	\$0	\$1,690	0.03%	\$991	0.02%	\$699
Missouri	\$90,105	\$4,231	\$18,099	\$65	\$112,498	1.98%	\$112,122	1.95%	\$377
Georgia	\$111,137	\$8,187	\$60,458	\$70	\$179,852	3.17%	\$183,011	3.18%	-\$3,159
Washington	\$89,480	\$17,334	\$13,687	\$38	\$120,538	2.12%	\$126,321	2.20%	-\$5,783
Rhode Island	\$56	\$4,975	\$7,126	\$0	\$12,157	0.21%	\$20,543	0.36%	-\$8,386
Colorado	\$84,475	\$3,993	\$9,911	\$105	\$98,484	1.74%	\$107,566	1.87%	-\$9,082
Utah	\$22,510	\$2,542	\$7,488	\$548	\$33,089	0.58%	\$42,330	0.74%	-\$9,242
Hawaii	\$12,928	\$769	\$1,897	\$212	\$15,807	0.28%	\$25,247	0.44%	-\$9,440
Tennessee	\$55,279	\$6,245	\$33,123	\$9	\$94,656	1.67%	\$109,803	1.91%	-\$15,147
New Hampshire	\$11,831	\$667	\$1,667	\$0	\$14,165	0.25%	\$30,913	0.54%	-\$16,748
Delaware	\$266	\$282	\$684	\$0	\$1,233	0.02%	\$21,206	0.37%	-\$19,973
Nevada	\$28,053	\$4,691	\$4,430	\$21	\$37,195	0.66%	\$57,528	1.00%	-\$20,333
Dist. of Columbia	\$0	\$980	\$1,307	\$0	\$2,287	0.04%	\$28,673	0.50%	-\$26,386
Indiana	\$54,799	\$5,161	\$12,600	\$19	\$72,579	1.28%	\$107,620	1.87%	-\$35,041
California	\$95,373	\$301,411	\$178,726	\$242	\$575,753	10.15%	\$613,111	10.67%	-\$37,357
North Carolina	\$78,988	\$14,239	\$35,458	\$71	\$128,756	2.27%	\$172,992	3.01%	-\$44,236
Virginia	\$79,165	\$2,264	\$24,877	\$162	\$106,469	1.88%	\$172,306	3.00%	-\$65,838
Connecticut	\$2,211	\$5,527	\$9,259	\$0	\$16,998	0.30%	\$87,282	1.52%	-\$70,284
Michigan	\$49,783	\$11,474	\$23,787	\$433	\$85,477	1.51%	\$169,514	2.95%	-\$84,037
Ohio	\$38,047	\$33,205	\$39,789	\$80	\$111,121	1.96%	\$195,484	3.40%	-\$84,363
New York	\$51,306	\$53,514	\$181,369	\$14	\$286,203	5.04%	\$376,067	6.54%	-\$89,863
Pennsylvania	\$54,732	\$15,743	\$70,163	\$19	\$140,657	2.48%	\$241,800	4.21%	-\$101,143
Massachusetts	\$2,253	\$15,792	\$13,420	\$0	\$31,465	0.55%	\$140,153	2.44%	-\$108,688
Maryland	\$2,854	\$503	\$8,852	\$0	\$12,208	0.22%	\$130,052	2.26%	-\$117,844
Illinois	\$52,604	\$9,167	\$40,823	\$58	\$102,652	1.81%	\$230,376	4.01%	-\$127,724
New Jersey	\$1,155	\$13,983	\$30,051	\$0	\$45,190	0.80%	\$215,211	3.74%	-\$170,021
Florida	\$84,700	\$18,368	\$34,205	\$97	\$137,370	2.42%	\$386,162	6.72%	-\$248,791
Total	3,487,572	762,907	1,405,803	18,752	5,675,034	100.00%	5,748,747	100.00%	-73,713

Source: 2005 Monitoring Report, Table 1.12.

APPENDIX 8

TOTAL USF RECEIPTS BY STATE (2001-2004)
(\$ THOUSANDS)

State or Jurisdiction	2001	2002	2003	2004	Change 2001-2004
Alabama	\$110,205	\$115,296	\$113,269	\$128,659	17%
Alaska	\$93,317	\$103,782	\$117,837	\$123,758	33%
American Samoa	\$1,525	\$2,802	\$3,765	\$3,816	150%
Arizona	\$86,846	\$116,868	\$114,559	\$134,016	54%
Arkansas	\$89,925	\$106,392	\$128,816	\$150,720	68%
California	\$677,510	\$592,271	\$535,847	\$575,753	-15%
Colorado	\$74,565	\$82,992	\$100,554	\$98,484	32%
Connecticut	\$24,882	\$23,440	\$28,006	\$16,998	-32%
Delaware	\$1,696	\$1,564	\$1,661	\$1,233	-27%
Dist. of Columbia	\$8,400	\$3,710	\$7,365	\$2,287	-73%
Florida	\$132,119	\$146,695	\$138,450	\$137,370	4%
Georgia	\$144,074	\$168,710	\$163,352	\$179,852	25%
Guam	\$2,751	\$4,869	\$7,184	\$11,052	302%
Hawaii	\$8,082	\$11,404	\$12,705	\$15,807	96%
Idaho	\$48,173	\$55,196	\$58,179	\$60,700	26%
Illinois	\$143,506	\$91,173	\$113,820	\$102,652	-28%
Indiana	\$57,680	\$65,532	\$74,764	\$72,579	26%
Iowa	\$39,729	\$49,686	\$81,666	\$95,171	140%
Kansas	\$89,988	\$103,213	\$123,459	\$140,381	56%
Kentucky	\$61,940	\$76,615	\$84,584	\$95,026	53%
Louisiana	\$103,014	\$113,626	\$111,109	\$141,462	37%
Maine	\$41,690	\$44,414	\$43,305	\$46,796	12%
Maryland	\$21,631	\$15,479	\$18,714	\$12,208	-44%
Massachusetts	\$41,306	\$44,641	\$47,014	\$31,465	-24%
Michigan	\$93,491	\$113,498	\$89,635	\$85,477	-9%
Minnesota	\$67,885	\$92,773	\$101,077	\$118,075	74%
Mississippi	\$160,518	\$196,833	\$195,946	\$214,558	34%
Missouri	\$111,187	\$113,704	\$144,995	\$112,498	1%
Montana	\$55,927	\$68,600	\$71,975	\$80,674	44%
Nebraska	\$32,042	\$39,484	\$53,099	\$56,146	75%
Nevada	\$27,436	\$31,071	\$38,068	\$37,195	36%
New Hampshire	\$10,594	\$12,781	\$13,293	\$14,165	34%
New Jersey	\$42,035	\$43,645	\$43,350	\$45,190	8%
New Mexico	\$58,483	\$93,754	\$77,815	\$81,304	39%
New York	\$319,450	\$416,093	\$360,262	\$286,203	-10%
North Carolina	\$68,140	\$91,472	\$120,097	\$128,756	89%
North Dakota	\$30,715	\$36,866	\$57,615	\$61,519	100%
Northern Mariana Is.	\$3,894	\$6,545	\$2,868	\$1,690	-57%
Ohio	\$92,424	\$120,874	\$106,105	\$111,121	20%
Oklahoma	\$97,568	\$123,532	\$145,410	\$159,859	64%
Oregon	\$70,285	\$81,404	\$84,665	\$88,547	26%
Pennsylvania	\$90,972	\$117,727	\$137,141	\$140,657	55%
Puerto Rico	\$167,760	\$108,392	\$111,909	\$128,026	-24%
Rhode Island	\$7,961	\$9,284	\$11,998	\$12,157	53%
South Carolina	\$88,947	\$107,293	\$124,476	\$103,863	17%
South Dakota	\$27,158	\$42,385	\$54,507	\$64,645	138%
Tennessee	\$71,131	\$87,147	\$82,523	\$94,656	33%
Texas	\$294,733	\$428,263	\$455,302	\$493,387	67%
Utah	\$20,251	\$25,585	\$32,897	\$33,089	63%
Vermont	\$26,837	\$30,107	\$32,515	\$35,667	33%
Virgin Islands	\$25,945	\$37,217	\$27,897	\$24,936	-4%
Virginia	\$84,235	\$90,334	\$98,788	\$106,469	26%
Washington	\$99,574	\$106,924	\$107,248	\$120,538	21%
West Virginia	\$75,923	\$86,300	\$84,127	\$74,715	-2%
Wisconsin	\$83,127	\$92,750	\$126,068	\$123,456	49%
Wyoming	\$36,713	\$43,563	\$50,450	\$57,550	57%
Total	\$4,647,895	\$5,236,571	\$5,474,106	\$5,675,034	22%

Sources: 2003-2004 data from 2005 Monitoring Report, Table 1.12. 2002 data from 2003 Monitoring Report, Table 1.12. 2001 data from the 2001 FCC Annual Filing, Appendix B (sum of all the 2001 sub fund totals).

APPENDIX 9

TOTAL HIGH-COST SUPPORT PAYMENTS BY STATE OR JURISDICTION - ILECS AND CETCS

State or Jurisdiction	1999		2000		2001		2002		2003		2004		2005		CETCS % of 2005 Total
	ILECS	CETCS	ILECS	CETCS	ILECS	CETCS	ILECS	CETCS	ILECS	CETCS	ILECS	CETCS	ILECS	CETCS	
Alabama	\$56,318,951	\$0	\$68,124,502	\$0	\$93,842,843	\$0	\$99,840,657	\$0	\$134,447	\$89,293,506	\$2,098,331	\$9,361,986	\$6,225,107	\$11,458,434	0.31%
Alaska	\$67,816,605	\$0	\$70,132,653	\$0	\$79,631,434	\$0	\$85,725,228	\$0	\$120,522	\$88,850,654	\$1,401,990	\$9,099,476	\$107,009,426	\$11,458,434	0.40%
Arizona	\$11,124,614	\$0	\$13,527,801	\$0	\$14,844,292	\$0	\$16,632,510	\$0	\$11,277,119	\$12,202,722	\$5,166,626	\$6,583,354	\$11,731,52	\$0	0.00%
Arkansas	\$73,267,163	\$0	\$71,691,402	\$0	\$75,298,793	\$0	\$86,503,022	\$0	\$92,059,403	\$112,277,119	\$123,276	\$95,230,520	\$123,276	\$11,911,048	0.13%
California	\$49,657,305	\$0	\$63,070,553	\$0	\$62,347,999	\$0	\$66,343,448	\$0	\$73,651,142	\$92,059,403	\$123,276	\$78,031,258	\$8,443,922	\$41,582,844	0.00%
Colorado	\$43,789,464	\$0	\$53,761,542	\$0	\$62,003,540	\$0	\$68,329	\$0	\$2,242,663	\$2,242,663	\$0	\$2,211,289	\$0	\$6,397,544	0.17%
Connecticut	\$98,953	\$0	\$99,627	\$0	\$38,947	\$0	\$0	\$0	\$530,397	\$530,397	\$0	\$566,283	\$0	\$0	0.00%
Delaware	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
District of Columbia	\$0	\$0	\$49,781,316	\$0	\$34,627,004	\$0	\$85,609,445	\$0	\$80,109,849	\$80,109,849	\$0	\$89,211,719	\$0	\$1,668,454	0.00%
Florida	\$18,547,026	\$0	\$79,228,268	\$0	\$134,696	\$0	\$110,244,701	\$0	\$110,273,162	\$110,273,162	\$1,392,207	\$1,066,718	\$1,676,750	\$107,009,426	0.32%
Georgia	\$2,131,256	\$0	\$3,169,872	\$0	\$2,318,838	\$0	\$1,909,908	\$0	\$9,607,575	\$4,572,924	\$12,202,722	\$5,056,560	\$2,143,229	\$7,658,425	0.20%
Hawaii	\$1,472,918	\$0	\$2,403,015	\$0	\$5,348,833	\$0	\$9,010,380	\$0	\$51,909,601	\$59,607,575	\$0	\$54,000,607	\$0	\$2,143,229	0.31%
Idaho	\$0	\$0	\$0	\$0	\$4,531,138	\$0	\$49,012,604	\$0	\$2,242,663	\$2,242,663	\$0	\$2,242,663	\$0	\$0	0.00%
Illinois	\$21,248,427	\$0	\$21,747,217	\$0	\$21,248,427	\$0	\$47,141,466	\$0	\$33,149,686	\$33,149,686	\$0	\$33,149,686	\$0	\$0	0.00%
Indiana	\$18,808,339	\$0	\$18,808,339	\$0	\$42,060,071	\$0	\$47,141,466	\$0	\$62,816	\$62,816	\$0	\$62,816	\$0	\$0	0.00%
Iowa	\$17,058,453	\$0	\$30,488,022	\$0	\$5,233,553	\$0	\$9,246,913	\$0	\$147,749	\$147,749	\$0	\$147,749	\$0	\$0	0.00%
Kansas	\$23,802,260	\$0	\$30,643,488	\$0	\$41,019,830	\$0	\$59,147,036	\$0	\$59,757,468	\$108,785,249	\$2,692,475	\$11,978,655	\$7,267,617	\$11,978,655	0.74%
Kentucky	\$64,601,071	\$0	\$67,053,729	\$0	\$67,053,729	\$0	\$85,243,016	\$0	\$91,029,193	\$91,029,193	\$15,999	\$88,434,022	\$15,999	\$11,053,112	0.03%
Louisiana	\$19,501,563	\$0	\$39,807,009	\$0	\$36,246,606	\$0	\$43,704,481	\$0	\$29,453,800	\$29,453,800	\$0	\$29,453,800	\$0	\$0	0.00%
Maine	\$13,684,411	\$0	\$23,469,664	\$0	\$3,657,430	\$0	\$4,704,481	\$0	\$4,704,481	\$4,704,481	\$0	\$4,704,481	\$0	\$0	0.00%
Maryland	\$3,596,790	\$0	\$2,580,917	\$0	\$4,657,430	\$0	\$4,704,481	\$0	\$4,704,481	\$4,704,481	\$0	\$4,704,481	\$0	\$0	0.00%
Massachusetts	\$641,841	\$0	\$1,283,680	\$0	\$1,657,934	\$0	\$1,340,972	\$0	\$1,340,972	\$1,340,972	\$0	\$1,340,972	\$0	\$0	0.00%
Michigan	\$34,738,875	\$0	\$39,393,036	\$0	\$40,437,984	\$0	\$44,477,695	\$0	\$60,250	\$60,250	\$0	\$60,250	\$0	\$0	0.00%
Minnesota	\$14,442,858	\$0	\$48,130,605	\$0	\$49,998,983	\$0	\$56,798,102	\$0	\$104,776	\$104,776	\$0	\$104,776	\$0	\$0	0.00%
Mississippi	\$12,285,751	\$0	\$12,285,751	\$0	\$141,298,833	\$0	\$149,589,072	\$0	\$20,997,853	\$20,997,853	\$0	\$20,997,853	\$0	\$0	0.00%
Missouri	\$43,346,418	\$0	\$45,254,916	\$0	\$51,104,570	\$0	\$59,242,580	\$0	\$75,712	\$75,712	\$0	\$75,712	\$0	\$0	0.00%
Montana	\$21,377,097	\$0	\$23,729,919	\$0	\$26,738,585	\$0	\$31,464,331	\$0	\$44,359,487	\$44,359,487	\$0	\$44,359,487	\$0	\$0	0.00%
Nebraska	\$10,994,325	\$0	\$15,066,237	\$0	\$9,453,625	\$0	\$23,973,633	\$0	\$289,777	\$289,777	\$0	\$289,777	\$0	\$0	0.00%
Nevada	\$8,506,026	\$0	\$8,489,504	\$0	\$9,453,625	\$0	\$11,898,687	\$0	\$11,384,021	\$11,384,021	\$0	\$11,384,021	\$0	\$0	0.00%
New Hampshire	\$3,292,214	\$0	\$3,088,152	\$0	\$6,020,180	\$0	\$4,911,193	\$0	\$21,678	\$21,678	\$0	\$21,678	\$0	\$0	0.00%
New Jersey	\$14,273,114	\$0	\$16,088,152	\$0	\$16,088,152	\$0	\$16,088,152	\$0	\$16,088,152	\$16,088,152	\$0	\$16,088,152	\$0	\$0	0.00%
New York	\$37,395,060	\$0	\$51,532,445	\$0	\$30,400,149	\$0	\$35,742,972	\$0	\$23,310	\$23,310	\$0	\$23,310	\$0	\$0	0.00%
North Carolina	\$31,719,741	\$0	\$33,997,699	\$0	\$38,944,637	\$0	\$53,624,811	\$0	\$59,959,801	\$59,959,801	\$11,036,151	\$39,268,717	\$11,036,151	\$39,268,717	0.29%
North Dakota	\$21,703,062	\$0	\$25,437,477	\$0	\$3,594,740	\$0	\$3,526,267	\$0	\$1,652,912	\$1,652,912	\$0	\$1,652,912	\$0	\$0	0.00%
Ohio	\$5,529,978	\$0	\$3,257,226	\$0	\$3,594,740	\$0	\$3,526,267	\$0	\$1,652,912	\$1,652,912	\$0	\$1,652,912	\$0	\$0	0.00%
Oklahoma	\$19,436,697	\$0	\$19,501,960	\$0	\$29,246,406	\$0	\$33,911,495	\$0	\$37,920	\$37,920	\$0	\$37,920	\$0	\$0	0.00%
Oregon	\$19,436,697	\$0	\$19,501,960	\$0	\$29,246,406	\$0	\$33,911,495	\$0	\$37,920	\$37,920	\$0	\$37,920	\$0	\$0	0.00%
Pennsylvania	\$21,611,712	\$0	\$28,472,919	\$0	\$60,451,499	\$0	\$48,272,402	\$0	\$48,272,402	\$48,272,402	\$0	\$48,272,402	\$0	\$0	0.00%
Rhode Island	\$13,925,844	\$0	\$28,472,919	\$0	\$5,438,459	\$0	\$8,185,212	\$0	\$8,185,212	\$8,185,212	\$0	\$8,185,212	\$0	\$0	0.00%
South Carolina	\$40,003,413	\$0	\$46,038,443	\$0	\$56,646,667	\$0	\$71,350,018	\$0	\$76,191,945	\$76,191,945	\$0	\$76,191,945	\$0	\$0	0.00%
South Dakota	\$1,748,980	\$0	\$3,482,177	\$0	\$2,612,594	\$0	\$3,003,665	\$0	\$3,749,977	\$3,749,977	\$0	\$3,749,977	\$0	\$0	0.00%
Tennessee	\$78,448,901	\$0	\$34,482,177	\$0	\$27,012,594	\$0	\$27,012,594	\$0	\$27,012,594	\$27,012,594	\$0	\$27,012,594	\$0	\$0	0.00%
Texas	\$18,600,398	\$0	\$18,101,139	\$0	\$167,010,651	\$0	\$186,031,058	\$0	\$11,512,675	\$11,512,675	\$0	\$11,512,675	\$0	\$0	0.00%
Utah	\$10,178,394	\$0	\$11,535,351	\$0	\$14,109,453	\$0	\$14,092,966	\$0	\$23,894,315	\$23,894,315	\$0	\$23,894,315	\$0	\$0	0.00%
Vermont	\$11,248,740	\$0	\$26,244,471	\$0	\$23,293,231	\$0	\$25,894,315	\$0	\$27,804,079	\$27,804,079	\$0	\$27,804,079	\$0	\$0	0.00%
Virginia	\$32,973,180	\$0	\$23,786,676	\$0	\$35,253,902	\$0	\$27,008,904	\$0	\$26,689,611	\$26,689,611	\$0	\$26,689,611	\$0	\$0	0.00%
Washington	\$41,164,287	\$0	\$33,845,395	\$0	\$69,848,492	\$0	\$69,848,492	\$0	\$69,848,492	\$69,848,492	\$0	\$69,848,492	\$0	\$0	0.00%
West Virginia	\$41,164,287	\$0	\$33,845,395	\$0	\$69,848,492	\$0	\$69,848,492	\$0	\$69,848,492	\$69,848,492	\$0	\$69,848,492	\$0	\$0	0.00%
Wisconsin	\$50,983,232	\$0	\$63,491,927	\$0	\$72,103,176	\$0	\$80,334,726	\$0	\$80,334,726	\$80,334,726	\$0	\$80,334,726	\$0	\$0	0.00%
Wyoming	\$29,982,184	\$0	\$29,806,680	\$0	\$35,057,650	\$0	\$41,262,316	\$0	\$43,036,041	\$43,036,041	\$0	\$43,036,041	\$0	\$0	0.00%
Industry	\$1,177,446,389	\$534,012	\$2,233,276,459	\$1,094,642	\$3,749,679,349	\$1,629,779,797	\$4,888,808,657	\$2,888,808,657	\$6,082,064	\$3,120,421,116	\$129,620,540	\$1,154,510,318	\$333,061,787	\$3,217,905,679	\$96,238,937
															13.29%

Source: 2005 Monitoring Report, Table 3.

APPENDIX 10

TOP RURAL ILECs BY DOLLAR PER LOOP

State	Study Area	ID	Pop. (2005) (Thousands)	Agg. Income (2005) (Millions)	Agg. Income per capita	Hhlds (2005)	Agg. Net Worth/ Hhld	Hhlds Net Worth > \$250,000		Value of Home Equity per Hhld	High Cost Payments (HCP) (2005)	HCP per capita	Number of Working Lines	HCP per Line	Corp. Exp. per Line
								Number	%						
	NATIONAL TOTAL	-	294,865	\$7,176,681	\$24,339	109,554,662	\$143,226	12,853,352	11.73%	\$214,543	\$3,734,144,616	\$13	174,718,390	\$21	\$78
	SAMPLE TOTAL	-	538	\$9,628	\$17,886	198,760	\$139,942	22,057	11.10%	\$200,683	\$352,735,047	\$655	261,839	\$1,346	N/A
WY	Jackson, WY (at Jackson Hole Valley)		15	\$425	\$27,742	6,787	\$145,331	847	12.48%	\$226,199	\$2,232,536	\$146	7,930	\$282	N/A
	ALASKA (TOTAL IN SAMPLE)	-	28	\$751	\$26,824	9,033	\$148,185	1,120	12.40%	\$226,881	\$23,825,301	\$851	16,588	\$1,436	\$378
AK	ARCTIC SLOPE TEL. ASSOCIATION COOP. INC.	613001	7	\$216	\$30,510	2,257	\$154,096	296	13.11%	\$241,023	\$4,660,617	\$659	2,659	\$1,753	\$478
AK	BUSH-TELL INC.	613004	1	\$15	\$13,268	316	\$138,721	35	11.08%	\$204,484	\$1,148,434	\$1,003	1,024	\$1,122	\$602
AK	COPPER VALLEY TEL. COOP. INC.	613006	6	\$172	\$27,423	2,519	\$152,753	312	12.39%	\$228,631	\$8,518,400	\$1,356	6,130	\$1,390	\$300
AK	INTERIOR TELEPHONE COMPANY INC.	613011	6	\$192	\$32,542	1,542	\$146,016	200	12.97%	\$230,257	\$6,338,727	\$1,072	4,959	\$1,278	\$307
AK	MUKLUK TEL. COMPANY, INC.	613016	7	\$139	\$20,214	2,105	\$140,214	243	11.54%	\$212,767	\$7,399,355	\$349	1,566	\$1,532	\$425
AK	SUMMIT TEL. & TEL. CO. OF ALASKA	613028	1	\$16	\$23,065	294	\$142,285	34	11.56%	\$210,745	\$759,768	\$1,085	250	\$3,039	\$1,473
AK	YUKON TELEPHONE COMPANY, INC.	613025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$210,745	\$609,671	N/A	591	\$1,032	\$582
	ARIZONA (TOTAL IN SAMPLE)	-	31	\$520	\$16,874	10,742	\$146,768	1,240	11.54%	\$208,626	\$17,393,154	\$565	11,597	\$1,500	\$348
AZ	ACCIPITER COMMUNICATIONS, INC.	452191	8	\$253	\$30,794	3,810	\$169,712	547	14.36%	\$243,586	\$1,517,008	\$184	219	\$6,927	\$2,113
AZ	MIDVALE TELEPHONE EXCHANGE, INC.-ARIZONA	452226	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,432,296	N/A	N/A	1,093	\$1,310	\$312
AZ	SADDLEBACK COMMUNICATIONS COMPANY	457991	11	\$148	\$13,440	3,563	\$134,225	369	10.36%	\$193,726	\$2,625,577	\$239	768	\$3,419	\$732
AZ	SAN CARLOS APACHE TELECOMM. UTILITY, INC.	452169	6	\$41	\$6,352	1,612	\$129,792	139	8.62%	\$178,982	\$2,570,040	\$398	2,633	\$976	\$359
AZ	VALLEY TELEPHONE COOPERATIVE INC-AZ	452176	5	\$77	\$15,149	1,757	\$138,028	185	10.53%	\$190,229	\$10,680,529	\$2,094	7,977	\$1,339	\$255
	ARKANSAS (TOTAL IN SAMPLE)	-	2	\$39	\$16,123	974	\$136,586	99	10.16%	\$190,633	\$318,736	\$132	122	\$2,613	\$1,082
AR	SCOTT COUNTY TELEPHONE COMPANY	403031	2	\$39	\$16,123	974	\$136,586	99	10.16%	\$190,633	\$318,736	\$132	122	\$2,613	\$1,082
	CALIFORNIA (TOTAL IN SAMPLE)	-	21	\$439	\$20,617	7,118	\$145,450	833	11.70%	\$211,770	\$13,902,660	\$653	13,784	\$1,009	\$348
CA	CAL-ORE TELEPHONE CO.	542311	3	\$46	\$15,277	1,139	\$129,286	114	10.01%	\$181,098	\$2,519,892	\$834	2,660	\$947	\$465
CA	DUOR TELEPHONE COMPANY	542313	4	\$33	\$7,959	922	\$112,916	80	8.68%	\$165,121	\$1,952,358	\$466	1,245	\$1,568	\$821
CA	PINNACLES TELEPHONE COMPANY	542346	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$619,616	N/A	N/A	289	\$2,144	\$752
CA	THE PONDEROSA TELEPHONE COMPANY	542332	14	\$360	\$25,524	5,057	\$155,022	639	12.64%	\$227,183	\$9,430,409	\$669	9,879	\$955	\$258
	COLORADO (TOTAL IN SAMPLE)	-	13	\$291	\$23,089	5,187	\$142,220	596	11.49%	\$206,039	\$9,175,951	\$728	7,151	\$1,283	\$410
CO	AGATE MUTUAL TELEPHONE COOPERATIVE ASSOC.	462178	1	\$18	\$23,693	309	\$140,267	37	11.97%	\$202,177	\$292,125	\$386	168	\$1,739	\$940
CO	BLANCA TELEPHONE CO.	462182	2	\$26	\$15,978	798	\$136,321	80	10.03%	\$186,931	\$2,186,953	\$1,322	1,377	\$1,588	\$335
CO	FARMERS TEL. CO. INC. - COLORADO	462188	1	\$33	\$25,653	535	\$150,982	65	12.15%	\$216,923	\$673,436	\$522	546	\$1,233	\$537
CO	NUNN TEL. COMPANY	462194	2	\$48	\$27,118	679	\$144,789	81	11.93%	\$215,915	\$763,868	\$428	696	\$1,098	\$466
CO	PLAIN COOPERATIVE TEL. ASSOC. INC.	462199	1	\$33	\$27,403	569	\$138,876	63	11.07%	\$197,330	\$1,616,178	\$1,336	1,538	\$1,051	\$359
CO	ROGGEN TELEPHONE COOPERATIVE CO.	462202	4	\$88	\$21,068	1,553	\$139,270	179	11.53%	\$208,199	\$394,230	\$94	295	\$1,336	\$632
CO	SOUTH PARK TELEPHONE COMPANY	462195	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$795,568	N/A	N/A	201	\$3,958	\$1,138
CO	THE RYE TELEPHONE CO. INC.	462203	2	\$44	\$25,454	744	\$149,432	91	12.23%	\$213,450	\$3,249,160	\$1,890	2,531	\$1,284	\$383
	HAWAII (TOTAL IN SAMPLE)	-	7	\$143	\$19,346	2,263	\$131,720	251	11.09%	\$196,257	\$16,521,509	\$2,237	1,238	\$13,345	\$3,473
HI	SANDWICH ISLES COMMUNICATIONS, INC.	623021	7	\$143	\$19,346	2,263	\$131,720	251	11.09%	\$196,257	\$16,521,509	\$2,237	1,238	\$13,345	\$3,473
	IOWA (TOTAL IN SAMPLE)	-	1	\$21	\$15,655	576	\$137,912	64	11.11%	\$194,735	\$329,322	\$244	366	\$900	N/A

APPENDIX 10

TOP RURAL ILECs BY DOLLAR PER LOOP

State	Study Area	ID	Pop. (2005) (Thousands)	Agg. Income (2005) (Millions)	Agg. Income per capita	Hhlds (2005)	Agg. Net Worth/ Hhld	Hhlds Net Worth > \$250,000		Value of Home Equity per Hhld	High Cost Payments (HCP) (2005)	HCP per capita	Number of Working Lines	HCP per Line	Corp. Exp. per Line
								Number	%						
IA	JORDAN SOLIDIER VAL. COOP. TEL. CO.	351213	1	\$21	\$15,655	576	\$137,912	64	11.11%	\$194,735	\$329,322	\$244	366	\$900	N/A
	IDAHO (TOTAL IN SAMPLE)	-	10	\$181	\$18,393	4,023	\$144,291	461	11.46%	\$202,032	\$12,614,902	\$1,284	11,104	\$1,136	\$326
ID	CUSTER TEL. COOPERATIVE INC.	472218	2	\$28	\$16,317	783	\$140,301	85	10.86%	\$193,358	\$2,800,504	\$1,644	2,352	\$1,191	\$237
ID	DIRECT COMMUNICATIONS ROCKLAND, INC.	472232	3	\$41	\$15,824	995	\$145,005	115	11.56%	\$201,547	\$1,447,951	\$562	1,314	\$1,102	\$534
ID	INLAND TELEPHONE COMPANY - ID	472423	1	\$25	\$18,799	581	\$145,896	68	11.70%	\$205,487	\$429,590	\$323	402	\$1,069	\$439
ID	MIDVALE TEL. EXCH. INC.	472226	2	\$43	\$23,862	722	\$147,794	85	11.77%	\$210,413	\$1,408,311	\$777	1,121	\$1,256	\$427
ID	RURAL TELEPHONE COMPANY - ID	472233	0	\$6	\$16,738	202	\$142,889	22	10.89%	\$189,587	\$1,046,824	\$2,814	718	\$1,458	\$621
ID	SILVER STAR TEL. CO. INC.-ID	472295	2	\$38	\$18,548	740	\$143,258	86	11.62%	\$204,367	\$5,481,723	\$2,700	5,197	\$1,055	\$239
	ILLINOIS (TOTAL IN SAMPLE)	-	14	\$308	\$22,218	5,739	\$141,183	668	11.64%	\$204,652	\$6,327,172	\$456	3,200	\$1,977	\$700
IL	HOME TEL. CO.-ST. JACOB	341032	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,823,688	N/A	1,039	\$1,755	\$883
IL	LEAF RIVER TEL. CO.	341045	1	\$28	\$24,209	432	\$140,403	53	12.27%	\$203,809	\$849,276	\$739	579	\$1,467	\$639
IL	MADISON TEL. CO.	341049	13	\$280	\$22,038	5,307	\$141,247	615	11.59%	\$204,721	\$3,654,208	\$287	1,582	\$2,310	\$721
	INDIANA (TOTAL IN SAMPLE)	-	2	\$31	\$15,886	695	\$140,537	77	11.08%	\$203,335	\$633,710	\$326	648	\$978	\$288
IN	BLOOMINGDALE HOME TEL. CO., INC.	320742	2	\$31	\$15,886	695	\$140,537	77	11.08%	\$203,335	\$633,710	\$326	648	\$978	\$288
	KANSAS (TOTAL IN SAMPLE)	-	94	\$1,815	\$19,203	38,333	\$139,492	4,351	11.35%	\$199,769	\$79,720,854	\$844	60,005	\$1,329	\$337
KS	BLUE VALLEY TELEPHONE COMPANY	411746	10	\$173	\$17,633	3,944	\$137,114	433	10.98%	\$193,343	\$4,923,415	\$503	3,058	\$1,610	\$456
KS	COUNCIL GROVE TEL. CO.	411758	3	\$62	\$19,412	1,362	\$136,248	151	11.09%	\$193,543	\$2,038,005	\$636	2,055	\$992	\$124
KS	GOLDEN BELT TELEPHONE ASSN. INC.	411777	9	\$179	\$19,435	4,149	\$138,286	467	11.26%	\$196,571	\$5,631,791	\$611	6,305	\$893	\$185
KS	GORHAM TELEPHONE COMPANY INC.	411778	0	\$7	\$16,663	221	\$136,960	24	10.86%	\$185,594	\$319,102	\$722	326	\$979	\$744
KS	HAVILAND TELEPHONE COMPANY INC.	411780	7	\$134	\$19,348	2,578	\$142,899	304	11.79%	\$207,683	\$4,816,116	\$693	3,893	\$1,237	\$294
KS	HOMF TELEPHONE COMPANY INC.	411782	5	\$94	\$20,317	1,730	\$143,120	206	11.91%	\$211,767	\$1,885,300	\$406	2,051	\$919	\$223
KS	KANOKLA TEL. ASSOC. INC.- KS	411788	4	\$80	\$22,066	1,532	\$139,421	171	11.16%	\$196,038	\$4,101,704	\$1,134	2,365	\$1,734	\$720
KS	MADISON TELEPHONE, LLC	411801	1	\$15	\$16,575	375	\$133,550	40	10.67%	\$188,521	\$1,058,489	\$1,162	771	\$1,373	\$549
KS	MOUNDRIDGE TEL. CO.	411808	5	\$105	\$20,506	1,999	\$137,852	234	11.71%	\$199,021	\$2,560,264	\$501	2,897	\$884	\$442
KS	MUTUAL TELEPHONE COMPANY	411809	1	\$14	\$16,642	310	\$135,763	33	10.65%	\$193,969	\$618,150	\$750	505	\$1,224	\$680
KS	PEOPLES TELECOMMUNICATIONS, LLC	411814	3	\$71	\$21,077	1,321	\$141,361	155	11.73%	\$204,634	\$2,326,733	\$687	1,801	\$1,292	\$399
KS	RAINBOW TEL COOPERATIVE ASSN INC.	411820	5	\$88	\$18,282	1,911	\$137,542	208	10.88%	\$195,331	\$2,570,212	\$532	1,899	\$1,353	\$328
KS	RURAL TEL. SERVICE CO., INC.	411826	15	\$264	\$17,921	6,423	\$138,035	712	11.09%	\$193,960	\$17,691,540	\$1,199	10,653	\$1,661	\$163
KS	S & A TEL. CO., INC.	411829	2	\$36	\$17,890	781	\$138,925	90	11.52%	\$202,562	\$1,191,167	\$586	919	\$1,296	\$807
KS	S & T TEL. COOP. ASSN.	411827	5	\$103	\$21,073	2,203	\$140,630	250	11.35%	\$199,985	\$6,828,268	\$1,394	2,933	\$2,328	\$410
KS	SOUTH CENTRAL TEL. ASSN. INC.-KS	411831	1	\$29	\$19,758	606	\$142,868	71	11.72%	\$200,433	\$4,003,702	\$2,718	1,925	\$2,080	\$601
KS	SOUTHERN KANSAS TEL. CO., INC.	411833	9	\$179	\$19,003	3,318	\$143,274	389	11.72%	\$212,232	\$7,055,881	\$750	4,882	\$1,445	\$458
KS	TWIN VALLEY TEL. INC.-KS	411840	3	\$65	\$19,205	1,365	\$140,512	157	11.50%	\$202,133	\$2,052,127	\$604	2,331	\$880	\$555
KS	UNITED TELEPHONE ASSN. INC.	411841	1	\$23	\$20,117	497	\$138,434	56	11.27%	\$196,712	\$5,729,704	\$5,048	5,831	\$983	\$204
KS	WHEAT STATE TELEPHONE, INC.	411847	4	\$91	\$20,442	1,708	\$141,936	200	11.71%	\$208,872	\$2,319,182	\$519	2,605	\$890	\$350
KS	ZENDA TELEPHONE COMPANY INC.	411852	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$248,555	N/A	2,25	\$1,105	\$1,231
	LOUISIANA (TOTAL IN SAMPLE)	-	12	\$184	\$15,143	4,565	\$139,799	472	10.34%	\$196,770	\$4,606,986	\$379	4,477	\$1,029	\$294
LA	ELIZABETH TEL. CO., INC.	270430	8	\$121	\$15,696	2,920	\$140,942	307	10.51%	\$199,640	\$3,487,746	\$452	3,434	\$1,016	\$200
LA	NORTHEAST LOUISIANA TEL. CO., INC.	270435	4	\$63	\$14,188	1,645	\$137,771	165	10.03%	\$191,675	\$1,119,240	\$251	1,043	\$1,073	\$599

APPENDIX 10

TOP RURAL ILECs BY DOLLAR PER LOOP

State	Study Area	ID	Pop. (2005) (Thousands)	Agg. Income (2005) (Millions)	Agg. Income per capita	Hhlds (2005)	Agg. Net Worth/ Hhld	Hhlds Net Worth > \$250,000		Value of Home Equity per Hhld	High Cost Payments (HCP) (2005)	HCP per capita	Number of Working Lines	HCP per Line	Corp. Exp. per Line
								Number	%						
	MINNESOTA (TOTAL IN SAMPLE)	-	2	\$52	\$24,034	1,258	\$142,973	136	10.81%	\$195,890	\$1,916,456	\$892	2,090	\$917	\$562
MN	JOHNSON TELEPHONE COMPANY	361410	2	\$52	\$24,034	1,258	\$142,973	136	10.81%	\$195,890	\$1,916,456	\$892	2,090	\$917	\$562
	MISSOURI (TOTAL IN SAMPLE)	-	6	\$98	\$16,670	2,292	\$135,862	233	10.17%	\$193,481	\$2,576,893	\$438	1,606	\$1,605	\$576
MO	LE-RU TELEPHONE COMPANY	421908	6	\$98	\$16,670	2,292	\$135,862	233	10.17%	\$193,481	\$2,576,893	\$438	1,606	\$1,605	\$576
MO	NEW FLORENCE TELEPHONE CO.	421927	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$476,299	N/A	531	\$897	\$333
	MISSISSIPPI (TOTAL IN SAMPLE)	-	3	\$35	\$14,065	950	\$136,838	96	10.11%	\$192,510	\$1,491,841	\$596	804	\$1,856	\$952
MS	GEORGETOWN TELE. CO., INC.	280456	1	\$13	\$18,897	240	\$139,482	24	10.00%	\$194,550	\$877,657	\$1,320	391	\$2,245	\$1,267
MS	LAKE SIDE TEL. CO., INC.	280457	2	\$23	\$12,318	710	\$135,944	72	10.14%	\$191,820	\$614,184	\$334	413	\$1,487	\$661
	MONTANA (TOTAL IN SAMPLE)	-	4	\$57	\$15,781	1,397	\$140,963	154	11.02%	\$197,964	\$4,728,114	\$1,315	3,652	\$1,295	\$313
MT	INTERBEL TEL. COOPERATIVE INC.	482242	2	\$24	\$14,677	668	\$141,468	73	10.93%	\$196,305	\$3,217,738	\$1,951	2,137	\$1,506	\$333
MT	NORTHERN TEL. COOP INC. - MT	482248	2	\$33	\$16,716	729	\$140,500	81	11.11%	\$199,485	\$1,510,376	\$776	1,515	\$997	\$286
	NEBRASKA (TOTAL IN SAMPLE)	-	22	\$413	\$18,443	8,998	\$137,587	1,005	11.17%	\$196,133	\$14,144,007	\$631	10,480	\$1,350	\$553
NE	BENKELMAN TELEPHONE COMPANY INC.	372455	2	\$35	\$16,322	928	\$135,292	100	10.78%	\$189,349	\$1,464,476	\$679	1,216	\$1,204	\$433
NE	CURTIS TELEPHONE COMPANY	371536	3	\$57	\$18,284	1,232	\$132,782	129	10.47%	\$188,992	\$1,006,235	\$524	908	\$1,108	\$648
NE	DALTON TEL. CO., INC.	371537	1	\$22	\$18,680	501	\$140,765	56	11.18%	\$201,513	\$2,400,729	\$2,036	1,262	\$1,902	\$335
NE	DILLER TELEPHONE COMPANY	371540	1	\$22	\$18,062	454	\$140,779	53	11.67%	\$204,147	\$852,468	\$712	930	\$917	\$898
NE	ELSIE COMMUNICATIONS, INC.	371518	1	\$19	\$21,650	345	\$143,766	41	11.88%	\$211,282	\$710,707	\$807	252	\$3,063	\$751
NE	GLENWOOD TELEPHONE MEMBERSHIP CORP.	371553	5	\$85	\$17,273	1,903	\$138,026	215	11.30%	\$198,701	\$3,022,416	\$617	2,552	\$1,184	\$346
NE	HARTMAN TELEPHONE EXCHANGES INC.	371557	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$634,800	N/A	432	\$1,469	\$902
NE	HEMINGFORD COOP. TELEPHONE COMPANY	371558	2	\$37	\$24,087	625	\$140,791	71	11.36%	\$199,978	\$1,731,825	\$1,121	993	\$1,744	\$1,071
NE	KEYSTONE-ARTHUR TELEPHONE COMPANY	371567	2	\$35	\$21,302	841	\$144,772	99	11.77%	\$200,357	\$616,808	\$372	617	\$1,000	\$662
NE	STANTON TELECOM INC.	371592	4	\$75	\$17,372	1,568	\$134,005	174	11.10%	\$192,471	\$1,221,988	\$282	1,134	\$1,078	\$482
NE	WAUNETA TEL. CO.	371597	1	\$27	\$17,981	601	\$136,948	67	11.15%	\$193,527	\$1,116,356	\$757	636	\$1,755	\$634
	NEW MEXICO (TOTAL IN SAMPLE)	-	47	\$690	\$14,591	17,398	\$136,875	1,819	10.46%	\$191,266	\$24,704,905	\$522	16,964	\$1,456	\$482
NM	BACA VALLEY TEL. CO.	492259	2	\$31	\$16,135	697	\$136,728	77	11.05%	\$193,029	\$1,173,893	\$616	856	\$1,371	\$981
NM	DELL TELEPHONE CO-OP. INC.-NM	492066	5	\$50	\$9,268	1,580	\$127,085	145	9.18%	\$179,683	\$1,369,122	\$252	504	\$2,717	\$1,195
NM	LEACO RURAL TEL. COOPERATIVE INC.	492264	8	\$93	\$12,199	2,512	\$132,613	261	10.39%	\$188,347	\$3,906,152	\$510	2,401	\$1,627	\$333
NM	MESCALERO APACHE TELECOM, INC.	491231	3	\$32	\$9,721	894	\$121,202	77	8.61%	\$175,377	\$2,977,053	\$907	1,270	\$2,344	\$712
NM	PENASCO VALLEY TEL. COOPERATIVE INC.	492270	6	\$132	\$22,079	2,195	\$143,594	250	11.39%	\$206,348	\$5,893,919	\$983	3,600	\$1,637	\$470
NM	VALLEY TELEPHONE COOPERATIVE INC-NM	492176	5	\$76	\$13,990	2,046	\$137,504	207	10.12%	\$187,113	\$2,729,200	\$502	1,359	\$2,008	\$286
NM	WESTERN NEW MEXICO TEL. CO., INC.	492268	18	\$275	\$15,649	7,474	\$140,119	802	10.73%	\$193,140	\$6,655,565	\$378	6,974	\$954	\$439
	NEVADA (TOTAL IN SAMPLE)	-	18	\$435	\$24,041	5,848	\$143,711	695	11.88%	\$215,552	\$3,559,570	\$197	2,345	\$1,518	\$733
NV	BEEHIVE TELEPHONE COMPANY, INC., NV	552284	7	\$148	\$21,042	2,002	\$126,140	208	10.39%	\$188,383	\$452,066	\$64	140	\$3,229	\$2,640
NV	HUMBOLDT TELEPHONE COMPANY	553304	4	\$90	\$21,406	1,413	\$142,670	169	11.96%	\$210,154	\$2,090,645	\$495	1,063	\$1,967	\$419
NV	RURAL TELEPHONE COMPANY - NV	552233	7	\$197	\$28,742	2,433	\$158,775	318	13.07%	\$241,043	\$1,016,859	\$148	1,142	\$890	\$751
	OKLAHOMA (TOTAL IN SAMPLE)	-	55	\$839	\$15,283	20,730	\$137,250	2,186	10.55%	\$192,568	\$31,891,099	\$581	29,124	\$1,095	\$335

APPENDIX 10

TOP RURAL ILECs BY DOLLAR PER LOOP

State	Study Area	ID	Pop. (2005) (Thousands)	Agg. Income (2005) (Millions)	Agg. Income per capita	Hhlds (2005)	Agg. Net Worth/ Hhld	Hhlds Net Worth > \$250,000		Value of Home Equity per Hhld	High Cost Payments (HCP) (2005)	HCP per capita	Number of Working Lines	HCP per Line	Corp. Exp. per Line
								Number	%						
OK	CANADIAN VALLEY TELEPHONE CO.	431974	2	\$37	\$15,039	1,029	\$143,691	110	10.69%	\$196,270	\$1,311,163	\$533	1,267	\$1,035	\$419
OK	CHICKASAW TELEPHONE CO.	431980	16	\$254	\$15,966	5,891	\$133,000	621	10.54%	\$190,023	\$9,765,191	\$614	8,981	\$1,087	\$223
OK	CROSS TELEPHONE CO.	431985	16	\$203	\$12,853	5,877	\$136,634	597	10.16%	\$190,112	\$9,525,152	\$603	10,191	\$935	\$351
OK	DOBSON TELEPHONE CO.	431988	7	\$130	\$17,658	3,181	\$139,908	346	10.88%	\$194,733	\$3,984,142	\$543	4,401	\$905	\$257
OK	KANDOLA TELEPHONE ASSN. INC. - OK	431788	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,790,263	N/A	1,297	\$1,380	\$464
OK	POTTAWATOMIE TELEPHONE CO.	432020	8	\$116	\$15,049	2,900	\$140,854	313	10.79%	\$198,294	\$2,970,270	\$385	2,585	\$1,149	\$595
OK	SHIDLER TEL. CO.	432023	5	\$80	\$17,299	1,381	\$137,827	148	10.72%	\$193,030	\$1,449,486	\$314	1,030	\$1,407	\$396
OK	SOUTH CENTRAL TEL. ASSN., INC.-OK	431831	1	\$14	\$23,128	249	\$145,463	29	11.65%	\$205,466	\$1,048,376	\$1,750	387	\$2,709	\$752
OK	TERRAL TEL. CO.	432029	0	\$6	\$12,053	222	\$138,497	22	9.91%	\$184,805	\$1,837,319	\$3,884	282	\$6,515	\$1,246
	OREGON (TOTAL IN SAMPLE)	-	10	\$189	\$18,404	4,106	\$136,133	460	11.20%	\$196,007	\$6,937,083	\$677	4,521	\$1,534	\$523
OR	EAGLE TELEPHONE SYSTEM INC.	532369	0	\$8	\$18,448	200	\$146,732	23	11.50%	\$203,099	\$525,546	\$1,234	479	\$1,097	\$629
OR	HELIIX TELEPHONE COMPANY	532376	3	\$61	\$18,025	1,333	\$133,781	151	11.33%	\$193,461	\$451,679	\$134	337	\$1,340	\$768
OR	MONROE TELEPHONE COMPANY	532385	2	\$47	\$20,424	915	\$135,707	102	11.15%	\$199,678	\$1,022,661	\$446	1,038	\$985	\$435
OR	OREGON-IDAHO UTILITIES, INC.	532390	2	\$21	\$12,472	596	\$139,264	66	11.07%	\$198,276	\$1,856,069	\$1,107	735	\$2,525	\$642
OR	PINE TELEPHONE SYSTEM INC. - OR	532392	1	\$22	\$18,379	579	\$135,929	61	10.54%	\$186,010	\$1,842,455	\$1,550	1,011	\$1,822	\$415
OR	ROOME TELECOMMUNICATIONS INC.	532375	1	\$18	\$20,768	313	\$132,723	36	11.50%	\$201,690	\$1,007,952	\$1,159	692	\$1,457	\$458
OR	TRANS-CASCADES TELEPHONE COMPANY	532378	0	\$12	\$29,055	170	\$140,389	21	12.35%	\$203,489	\$230,721	\$540	229	\$1,008	\$682
	SOUTH DAKOTA (TOTAL IN SAMPLE)	-	2	\$34	\$16,104	818	\$138,509	90	11.00%	\$198,363	\$1,889,488	\$891	1,365	\$1,384	\$582
SD	JEFFERSON TELEPHONE COMPANY - SD	391666	1	\$18	\$17,638	388	\$137,517	44	11.34%	\$202,558	\$597,269	\$590	548	\$1,090	\$413
SD	KENNEBEC TELEPHONE COMPANY	391668	1	\$16	\$14,700	430	\$139,405	46	10.70%	\$194,579	\$1,292,220	\$1,167	817	\$1,582	\$683
	TEXAS (TOTAL IN SAMPLE)	-	90	\$1,140	\$12,633	28,374	\$137,610	2,941	10.37%	\$194,674	\$51,029,727	\$566	33,723	\$1,513	\$535
TX	ALENCO COMMUNICATIONS, INC.	442090	7	\$121	\$16,156	2,225	\$144,186	250	11.24%	\$217,201	\$3,924,417	\$525	2,102	\$1,867	\$571
TX	BIG BEND TELEPHONE COMPANY INC.	442039	15	\$169	\$11,327	4,556	\$132,703	448	9.83%	\$184,485	\$12,584,854	\$843	6,101	\$2,063	\$391
TX	BORDER TO BORDER COMMUNICATIONS	442073	2	\$14	\$8,672	484	\$137,481	48	9.92%	\$189,134	\$1,143,958	\$698	108	\$10,592	\$3,926
TX	CENTRAL TEXAS TELEPHONE CO-OP. INC.	442052	11	\$195	\$17,285	4,369	\$143,444	492	11.26%	\$200,466	\$8,324,316	\$739	7,878	\$1,057	\$278
TX	DELL TELEPHONE CO-OP. INC. - TX	442066	4	\$38	\$10,952	1,259	\$134,105	122	9.69%	\$186,152	\$2,273,366	\$650	781	\$2,911	\$1,130
TX	LA WARD TELEPHONE EXCHANGE INC.	442103	3	\$53	\$18,659	1,092	\$142,698	127	11.63%	\$202,826	\$1,197,968	\$424	1,233	\$972	\$604
TX	LAKE LIVINGSTON TEL. CO.	442104	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,640,305	N/A	1,096	\$1,497	\$877
TX	LIPAN TELEPHONE COMPANY	442105	1	\$22	\$20,719	447	\$155,093	57	12.75%	\$226,592	\$1,775,840	\$1,653	1,567	\$1,133	\$521
TX	RIVIERA TELEPHONE COMPANY INC.	442134	0	\$5	\$12,428	127	\$115,323	12	9.45%	\$159,749	\$2,405,152	\$6,074	1,282	\$1,876	\$1,230
TX	SANTA ROSA TEL. COOP. INC.	442141	2	\$40	\$19,597	858	\$136,733	91	10.61%	\$190,058	\$2,042,527	\$1,002	2,326	\$878	\$569
TX	VALLEY TELEPHONE CO-OP. INC. - TX	442159	35	\$293	\$8,426	9,766	\$135,138	939	9.61%	\$189,556	\$9,360,018	\$275	6,666	\$1,434	\$446
TX	WEST TEXAS RURAL TEL. CO-OP. INC.	442166	6	\$102	\$18,421	1,894	\$136,269	204	10.77%	\$196,333	\$2,650,306	\$480	2,124	\$1,248	\$743
TX	XIT RURAL TELEPHONE CO-OP. INC.	442170	5	\$88	\$18,371	1,297	\$140,401	151	11.64%	\$207,379	\$3,147,004	\$657	1,555	\$2,024	\$480
	UTAH (TOTAL IN SAMPLE)	-	16	\$270	\$17,082	5,763	\$136,375	619	10.74%	\$195,120	\$6,969,918	\$440	4,485	\$1,554	\$495
UT	BEEHIVE TELEPHONE CO., INC., UT	502284	5	\$98	\$20,451	1,976	\$129,227	211	10.68%	\$187,416	\$2,073,964	\$435	988	\$2,099	\$1,075
UT	UINTAH BASIN TEL. ASSN. INC. DBA UBTA COMMUN.	502287	11	\$173	\$15,629	3,787	\$140,104	408	10.77%	\$199,139	\$4,895,953	\$443	3,497	\$1,400	\$327
	WASHINGTON (TOTAL IN SAMPLE)	-	5	\$98	\$20,123	1,979	\$139,794	226	11.42%	\$199,199	\$4,319,210	\$885	3,489	\$1,238	\$502
WA	TOLEDO TELEPHONE COMPANY INC.	522447	3	\$57	\$18,799	1,138	\$137,503	129	11.34%	\$196,625	\$2,229,360	\$731	2,245	\$993	\$418
WA	WESTERN WAHLAKUM COUNTY TEL COMPANY	522451	2	\$41	\$22,330	841	\$142,894	97	11.53%	\$202,683	\$2,089,849	\$1,141	1,244	\$1,680	\$662

APPENDIX 10

TOP RURAL ILECs BY DOLLAR PER LOOP

State	Study Area	ID	Pop. (2005) (Thousands)	Agg. Income (2005) (Millions)	Agg. Income per capita	Hhlds (2005)	Agg. Net Worth/ Hhld	Hhlds Net Worth > \$250,000		Value of Home Equity per Hhld	High Cost Payments (HCP) (2005)	HCP per capita	Number of Working Lines	HCP per Line	Corp. Exp. per Line
								Number	%						
WYOMING (TOTAL IN SAMPLE)			-	\$131	\$19,409	2,814	\$139,848	318	11.30%	\$197,450	\$8,973,944	\$1,334	8,981	\$999	\$250
WY	CHUGWATER TELEPHONE COMPANY	512289	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$292,306	N/A	267	\$1,095	\$1,018
WY	DUBOIS TELEPHONE EXCHANGE INC.	512291	2	\$43	\$23,018	881	\$140,348	100	11.35%	\$197,711	\$2,279,769	\$1,222	2,323	\$981	\$380
WY	TRI-COUNTY TEL. ASSN. INC.-WY	512296	5	\$88	\$18,025	1,933	\$139,620	218	11.28%	\$197,331	\$6,694,175	\$1,377	6,658	\$1,005	\$205

Values greater than the national average are highlighted in yellow.

Sources: State Totals and Sample Totals exclude Study Areas with no available information on population.

Non-ILEC carriers excluded.

Population and Household data from Spatial Insights, Inc., *Telecom & Demographic Data* ("CB Workbook.xls").

Data for Jackson, WY from file "Wire Center Boundaries.xls" and from USAC filings, Fourth Quarter appendix file "HC15 - Cust Model Support Projected by Wire Center - 4Q2005.xls"; <http://www.universalservice.org/about/governance/fcc-filings>.

HCP per Loop and Working Loops data from 2005 Monitoring Report from file 0513-22to30.xls; <http://www.fcc.gov/web/fair/monitor.html>. Universal Service payments from Spreadsheet "Total" and Loops from spreadsheets "HCLS" and "LSS."

When the number of loops indicated in "HCLS" and "LSS" differed, the larger number was used.

Corporate expense data from NECA, file "USF2005LC05.xls", available at <http://www.fcc.gov/web/fair/neca.html>. National Corporate Expense per Loop is the NECA file sample average.

Carriers 341049, 457991, 502287, 613011, 613016, 613001 show two entries in the corporate expense dataset. The entry that shows the number of loops closest to that reported in the Monitoring Report is used.

Saddleback Population and Households data are the sum of data corresponding to Pima and Maricopa, AZ. See Federal Communications Commission, Public Notice, Comments Invited on Qwest Corporation Application to Discontinue Domestic Telecommunications Services (July 13, 2001).

The number of loops associated with a given area reported by the Monitoring report does not necessarily match the number of loops reported in the NECA file. However, only in six cases were the differences higher than 10%.



Federal Phone Taxes and America's Seniors

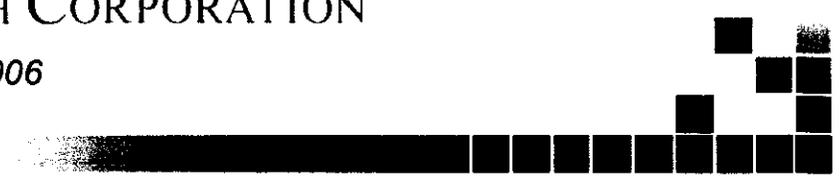
A Survey of Americans Aged 60 and Over

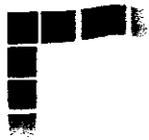
Prepared for

The Seniors Coalition

OPINION RESEARCH CORPORATION

April 4, 2006





METHODOLOGY

A series of questions was asked on three waves of CARAVAN®, Opinion Research Corporation's twice-weekly national shared-cost survey. The purpose of the research was to gain an understanding of the views of Americans age 60 and over on issues related to telephone service fees.

Results are based on telephone interviews conducted among a sample of 860 adults age 60 and over, living in private households, in the continental United States. Interviewing was completed by ORC during the period of March 16-25, 2006.

Completed interviews of the 860 adults were weighted by four variables: age, sex, geographic region, and race, to ensure reliable and accurate representation of the total adult population.

The margin of error at a 95% confidence level is plus or minus three percentage points for the sample of 860 adults. Smaller sub-groups will have larger error margins.



Executive Summary

- A survey conducted for The Seniors Coalition (TSC) by Opinion Research Corporation (ORC) from March 16-25, 2006 of 860 older Americans found the following:
- ◆ Half of all older Americans – and an even larger 55 percent of those who said they are on a “fixed income” – would have to cut back on long-distance phone calls if their “phone bill was raised by \$1 to \$2 every month in higher federal phone fees” – as is proposed under the Universal Service Fund (USF) per-line charge approach to funding.
 - ◆ More than three-fifths (61 percent) of the lowest-income seniors would have to cut back on long-distance phone calls if their “phone bill was raised by \$1 to \$2 every month in higher federal phone fees.”



Executive Summary

- ◆ Two out of three older Americans say that it would be “unfair” to switch the federal USF tax from the current “pay-for-what-you-use basis” on long-distance calls that are actually made to “a flat charge for every phone line you have — even if you don’t use the phone line or lines to make any long-distance calls.” Half of seniors said that it would be “very unfair” to change the USF in this manner. Fewer than one in four seniors (23 percent) think the line-based approach to USF is “fair.”
- ◆ More than four out of five seniors (83 percent) oppose changing the USF fee on phone bills to “start paying for broadband access in rural areas” if the change was to be “funded by shifting more of the burden of the “universal service fund” fee onto the shoulders of senior citizens and low-income individuals who make few or even no long-distance phone calls.”
- ◆ Only 9 percent of seniors in rural (non-metro) areas would support using USF to pay for rural broadband if seniors and low-income individuals had to pay more.



Executive Summary

- ◆ 70 percent of older Americans think that “the federal taxes and fees now being assessed on your phone bill are too high,” with only about 22 percent saying they are “about right.”
- ◆ A third of all seniors – and 38 percent of those who said they were on a “fixed income” – reported that they already have had to “cut back on your long-distance calling in the last two years in order to save money needed for other things, such as prescription drugs, heating bills and other energy charges, or other expenses.” Over half (55 percent) reported no change in their calling patterns and 5 percent reported making more calls.
- ◆ Nearly four out of five older Americans (79 percent) reported that they are living on a “fixed income.”



Detailed Findings





Federal Phone Taxes

- ◆ Most seniors (70%) feel that the Federally imposed taxes on their telephone bill are much too high (43%) or somewhat too high (27%). About a fourth (22%) think the level of their phone taxes is about right. Only 4% think these taxes are too low. Seven percent do not know.

Interestingly opinion varies greatly by region. Eighty-three percent of seniors in the Northeast think the Federal taxes on their phone is too high compared to only 71% of those in the South, 68% of those in the Midwest and 61% of those in the West.