

**Estimated Annual High Cost USF Savings from Allowing Only ONE Handset (i.e., Line) per Wireless Family Plan Package To Be Eligible for Support**

|                                                                                                             | High Cost Model | High Cost Loop | Safety Net Additive | Safety Valve | Interstate Access | Local Switching | Interstate CL  | Total High Cost USF Support |
|-------------------------------------------------------------------------------------------------------------|-----------------|----------------|---------------------|--------------|-------------------|-----------------|----------------|-----------------------------|
| <b>A. Annual CETC 2010 Forecasted High Cost Support</b>                                                     | \$ 164,746,110  | \$ 424,980,516 | \$ 17,509,032       | \$ 967,794   | \$ 100,174,716    | \$ 110,011,626  | \$ 586,319,886 | \$ 1,404,709,680            |
| <b>B. CETC Lines from HC 18, HC 19, HC 20, and HC21 (See Note 1)</b>                                        | 5,610,928       | 4,504,306      |                     |              | 32,951,473        | 6,832,422       | 6,832,422      |                             |
| <b>C. CETC Annual Support per Line</b>                                                                      | \$ 29.36        | \$ 94.35       |                     |              | \$ 3.04           | \$ 16.10        | \$ 85.81       |                             |
| <b>D. Family Plan Line Estimate Based on 52% of Lines Included in Family Packages (See Note 2)</b>          | 2,917,683       | 2,342,239      |                     |              | 17,134,766        | 3,552,859       | 3,552,859      |                             |
| <b>E. Estimate of Family Plan Packages Assuming an Average of 2.8 Lines per Family Package (See Note 3)</b> | 1,042,029       | 836,514        |                     |              | 6,119,559         | 1,268,878       | 1,268,878      |                             |
| <b>F. Number of Single Line Wireless Plans (i.e., Handsets Not in Family Plan Packages)</b>                 | 2,693,245       | 2,162,067      |                     |              | 15,816,707        | 3,279,563       | 3,279,563      |                             |
| <b>G. Total CETC Lines Eligible for Support Assuming Only ONE Line per Family Package is Eligible</b>       | 3,735,275       | 2,998,581      |                     |              | 21,936,266        | 4,548,441       | 4,548,441      |                             |
| <b>H. Total CETC Support Assuming Only ONE Line per Family Package is Eligible for Support</b>              | \$ 109,673,839  | \$ 282,915,601 | \$ 17,509,032       | \$ 967,794   | \$ 66,687,740     | \$ 73,236,311   | \$ 390,321,524 | \$ 941,311,841              |
| <b>I. Total USF Savings from Allowing Only ONE Line per Family Package To Be Eligible for Support</b>       | \$ 55,072,271   | \$ 142,064,915 | See Note 4          | See Note 4   | \$ 33,486,976     | \$ 36,775,315   | \$ 195,998,362 | \$ 463,397,840              |

**Notes:**

1. These reports are available on the USAC website at: <http://www.universalservice.org/about/governance/fcc-filings/2010/quarter-2.aspx>
2. See David Wilson, *All in the Family*, Ericsson Business Review (Jan. 2007) stating that family plans accounted for less than 10 percent of the U.S. wireless market in 2003, but now account for 41 percent of adult wireless plans, and are projected to account for 52 percent of the wireless market in 2008. Based on this trend, conservatively assumed 52 percent of wireless "lines" are in family plan packages in 2010.
3. Average "lines" per family plan of 2.8 based on Verizon Presentation in the July 2007 NARUC Meeting. See "VZ Presentation" tab.
4. Safety Net Additive and Safety Valve savings assumed negligible due to low total support for these funds.