

## Modernizing Universal Service

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### The Current Funds Adapting to Wireless – the Hard Math

- Wireline service is bought per household
- Wireless service is bought per family member
- We now pay the same amount per handset as per wired line
- Average number of handsets per family plan: 2.8
- End game if we convert wireless to subsidized model:
  - \$3B (current ILEC) + \$8.4B ( $\$3B \times 2.8$ ) = \$11.4B
  - Contribution factor about 23% with today's base