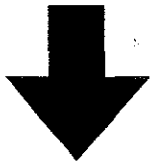
The Way Hoosiers Communicate Has Changed Over the Past Decade...

From 2000 to 2010 Indiana has seen:

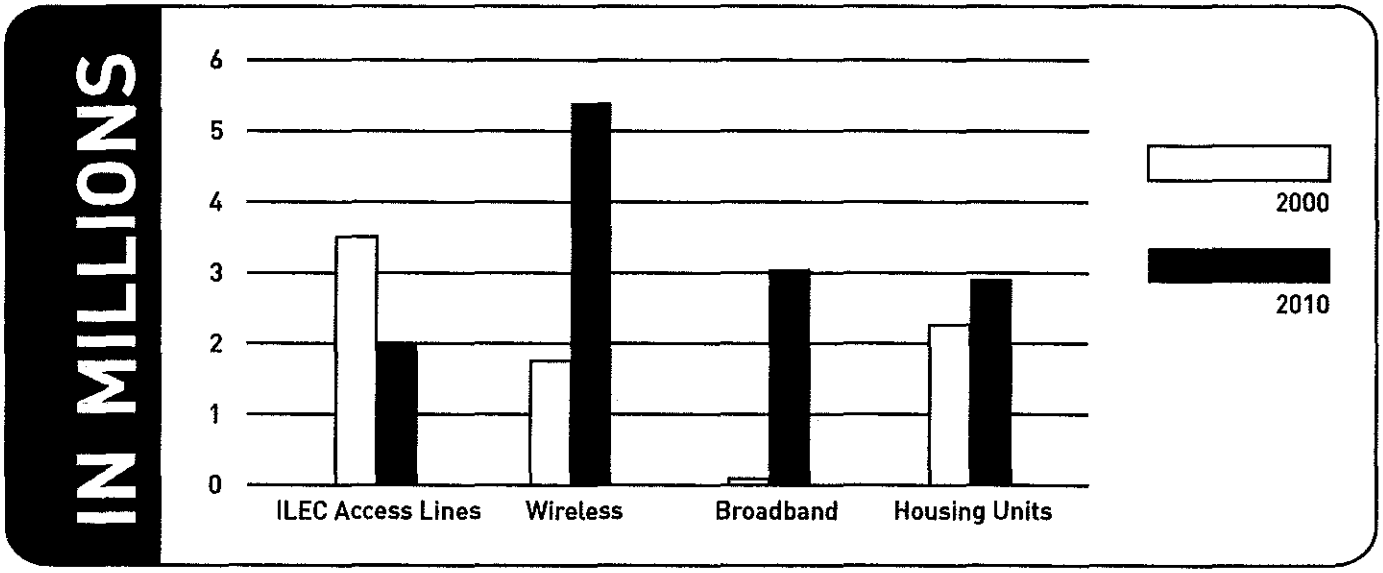


42% Decrease in ILEC Access Lines

215% Increase In Wireless Subscribers

4,893% Increase In Broadband Subscribers

19% Increase In Indiana's Housing Units



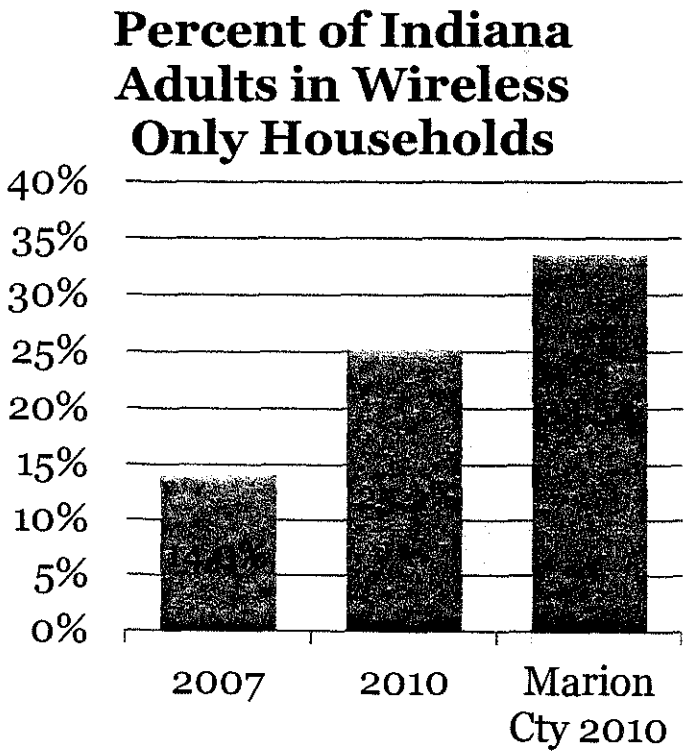
BROADBAND AVAILABILITY IN INDIANA:

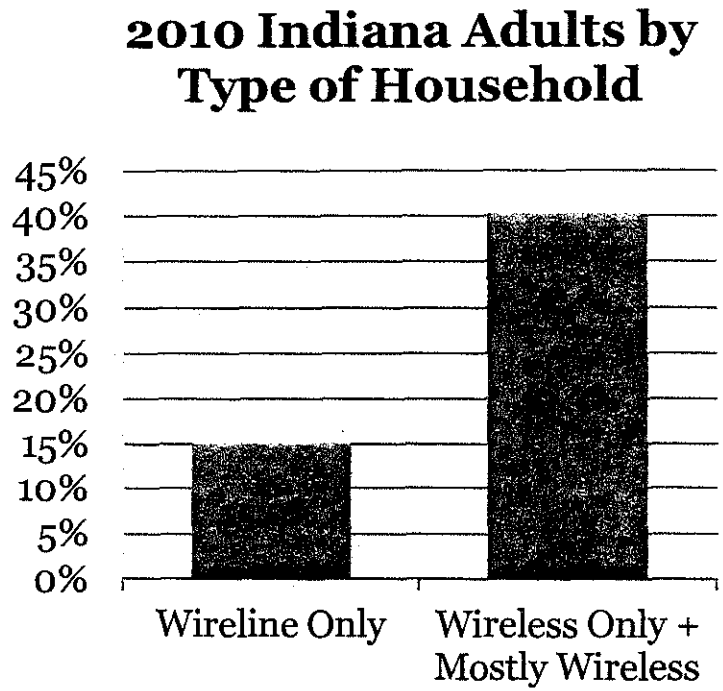
97% of the population

Notes:

- Incumbent Local Exchange Carriers (ILECs)
- ILEC access lines from FCC reports: "Local Telephone Competition: Status as of December 31, 2003" and "Local Telephone Competition: Status as of December 31, 2010"
- Wireless from FCC reports: "Local Telephone Competition: Status as of December 31, 2000" and
- "Local Telephone Competition: Status as of December 31, 2010"
- Broadband from FCC reports: "High-Speed Services for Internet Access: Subscribership as of December 31, 2000" and "Internet Access Services: Status as of December 31, 2010"
- Housing Units from U.S. Census Bureau.

Customers Choosing Wireless





Source: Centers for Disease Control National Health Statistics Reports: Wireless Substitution, April 20, 2011

Carrier of Last Resort

- The Regulatory Compact
  - Monopolies are now gone, but obligations remain
  - Previous subsidies are now gone
    - Business Rates, LD Rates, Rate of Return
    - Unfunded mandate
- Technology is driving consumer choice
  - Consumers want broadband and wireless, not POTS
  - This rule drives irrational capital spending
  - Regulation shouldn't impede innovation
- Regulations shouldn't discriminate
  - Not only are we not a monopoly, we may not have the largest share in many markets.
- Other states are moving forward
  - Florida, North Carolina, South Carolina, Wisconsin, Michigan

FCC Reform

- The FCC just issued a new order totally reforming the Universal Service Fund.
  - A decade of work to fix a broken system
  - Changes the focus from wireline voice to broadband
  - Everyone has phone service, broadband is still unavailable to 18 million U.S. households
  - On a path to ubiquitous broadband by decade's end

- FCC Chairman: The proposal will not eliminate carrier of last resort obligations