

CHANGES IN USF AND HIGH COST FUND BY QUARTER

**2010
(\$000,000)**

	1Q	2Q	3Q	4Q	TOTAL
Projected Revenues	17,254.2	16,637.9			33,892.1
Less: USF Contribution	2,106.6	2,180.4			4,287.0
Subtotal	15,147.6	14,457.5			29,605.1
Less: Uncollectibles	151.5	144.6			296.1
USF Revenue Base	14,996.1	14,312.9			29,309.0
High Cost	1,098.1	1,178.6			2,276.7
Low Income	356.3	386.3			742.6
Rural Health	57.2	55.0			112.2
Schools & Libraries	595.0	560.5			1,155.5
TOTAL USF Demand	2,106.6	2,180.4			4,287.0
USF Contribution Factor	14.048%	15.234%			14.627%

Courtesy:
Billy Jack Gregg
Universal Consulting

First Quarter Breakdown of High Cost Fund (Capped)					
Mechanism	Rural	Non-rural	CETCs	Total	Annualized
High Cost Loop Support	255.2	0	103.8	359.0	1,436.0
Local Switching Support	70.3	0	26.1	96.4	385.6
Interstate Common Line Support	265.0	13.4	140.8	419.2	1,676.8
Interstate Access Support	34.0	86.5	24.4	144.9	579.6
High Cost Model Support	0	39.5	40.9	80.4	321.6
TOTAL	624.5	139.4	336.0	1,099.9	4,399.6

First Quarter Breakdown of High Cost Fund (Uncapped)						Cap Reduction
Mechanism	Rural	Non-rural	CETCs	Total	Annualized	
High Cost Loop Support	255.2	0	137.1	392.3	1,569.2	
Local Switching Support	70.3	0	35.7	106.0	424.0	
Interstate Common Line Support	265.0	13.4	179.2	457.6	1,830.4	
Interstate Access Support	34.0	86.5	56.7	177.2	708.8	
High Cost Model Support	0	39.5	50.4	89.9	359.6	
TOTAL	624.5	139.4	459.1	1,223.0	4,892.0	123.1

Second Quarter Breakdown of High Cost Fund (Capped)					
Mechanism	Rural	Non-rural	CETCs	Total	Annualized
High Cost Loop Support	260.6	0	106.3	366.9	1,467.6
Local Switching Support	70.7	0	27.5	98.2	392.8
Interstate Common Line Support	271.5	10.9	149.6	432.0	1,728.0
Interstate Access Support	33.3	84.2	25.0	142.5	570.0
High Cost Model Support	0	38.8	41.2	80.0	320.0
TOTAL	636.1	133.9	349.6	1,119.6	4,478.4

Second Quarter Breakdown of High Cost Fund (Uncapped)						Cap Reduction
Mechanism	Rural	Non-rural	CETCs	Total	Annualized	
High Cost Loop Support	260.6	0	135.8	396.4	1,585.6	
Local Switching Support	70.7	0	35.9	106.6	426.4	
Interstate Common Line Support	271.5	10.9	183.8	466.2	1,864.8	
Interstate Access Support	33.3	84.2	61.0	178.5	714.0	
High Cost Model Support	0	38.8	50.9	89.7	358.8	
TOTAL	636.1	133.9	467.4	1,237.4	4,949.6	117.8

Third Quarter Breakdown of High Cost Fund					
Mechanism	Rural	Non-rural	CETCs	Total	Annualized
High Cost Loop Support					0.0
Local Switching Support					0.0
Interstate Common Line Support					0.0
Interstate Access Support					0.0
High Cost Model Support					0.0
TOTAL	0.0	0.0	0.0	0.0	0.0

Third Quarter Breakdown of High Cost Fund (Uncapped)						Cap Reduction
Mechanism	Rural	Non-rural	CETCs	Total	Annualized	
High Cost Loop Support					0.0	
Local Switching Support					0.0	
Interstate Common Line Support					0.0	
Interstate Access Support					0.0	
High Cost Model Support					0.0	
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Fourth Quarter Breakdown of High Cost Fund					
Mechanism	Rural	Non-rural	CETCs	Total	Annualized
High Cost Loop Support					0.0
Local Switching Support					0.0
Interstate Common Line Support					0.0
Interstate Access Support					0.0
High Cost Model Support					0.0
TOTAL	0.0	0.0	0.0	0.0	0.0

Fourth Quarter Breakdown of High Cost Fund (Uncapped)						Cap Reduction
Mechanism	Rural	Non-rural	CETCs	Total	Annualized	
High Cost Loop Support					0.0	
Local Switching Support					0.0	
Interstate Common Line Support					0.0	
Interstate Access Support					0.0	
High Cost Model Support					0.0	
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

2010 Total Cap Reduction **240.9**