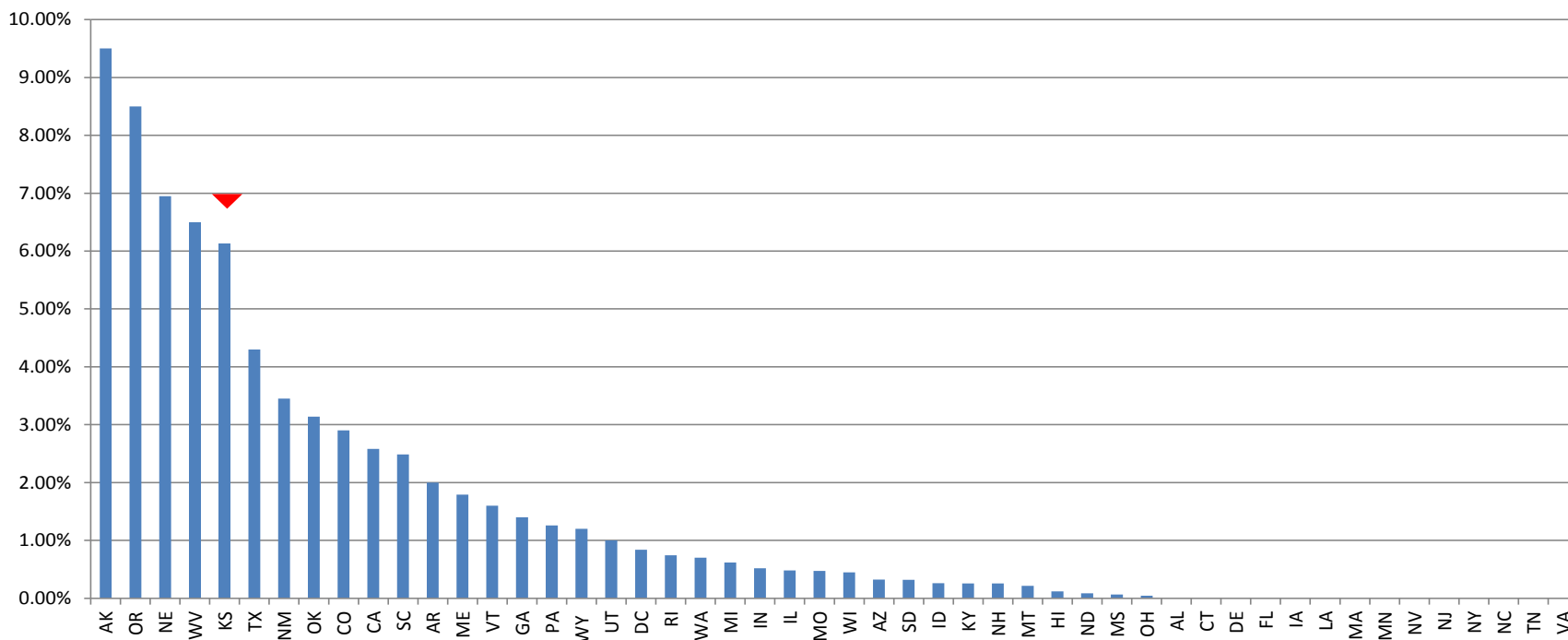


**KANSAS COULD BE A MORE  
FRIENDLY PLACE TO DO BUSINESS**

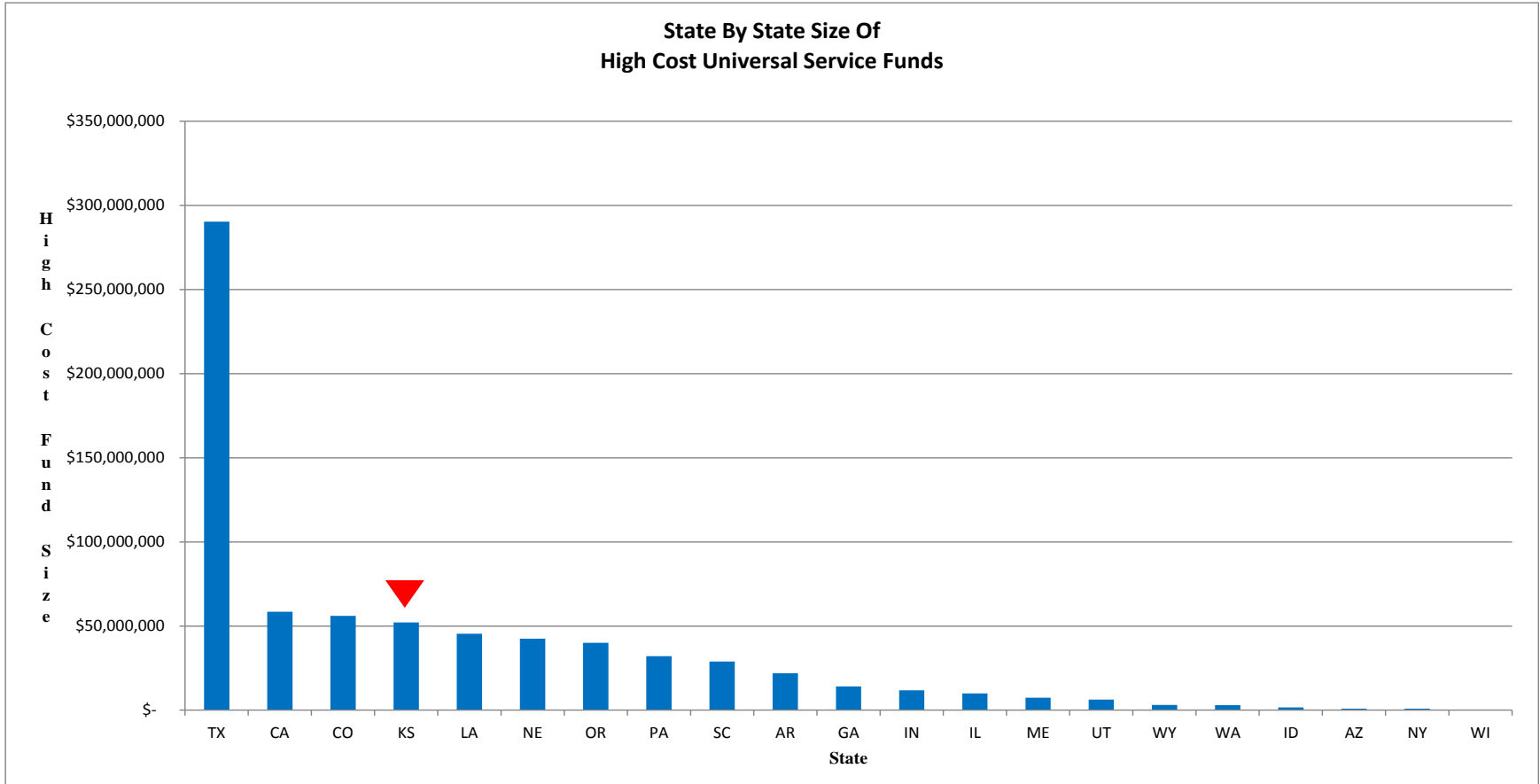
**USF Assessment as a Percentage of Intrastate Revenue - by State**



**Source of Data: National Regulatory Research Institute's (NNRI) Survey of Universal Service Funds - July 2012**

- - NRRI was founded by the National Association of Regulatory Commissioners (NARUC). While corporately independent, NARUC and NRRI are closely linked. NRRI serves as a research instrument for NARUC providing quality research to high quality research for NARUC members. Information regarding the NRRI can be found at [www.nrri.org](http://www.nrri.org).
- - All USF percentages represent the highest assessment rate imposed on communications providers.
- - In many states, multiple assessments are applied to enable the funding of various programs (Broadband, Lifeline, Relay, Access Reform, etc.) See the *National Regulatory Research Institute's Survey of Universal Service Funds - July 2012* for details.
- - Several states apply assessments on a flat rate basis in lieu of a percentage of Intrastate revenue. Those states include: KY, MD, MS, MO, MT, NH, ND, OH, RI, SC, SD, WA, and WV. For these states the "USF Percentage" was calculated by dividing the flat rate charge by an estimated national average bill of \$47 per month.

## KANSAS HIGH COST USF AMONG THE NATION'S LARGEST

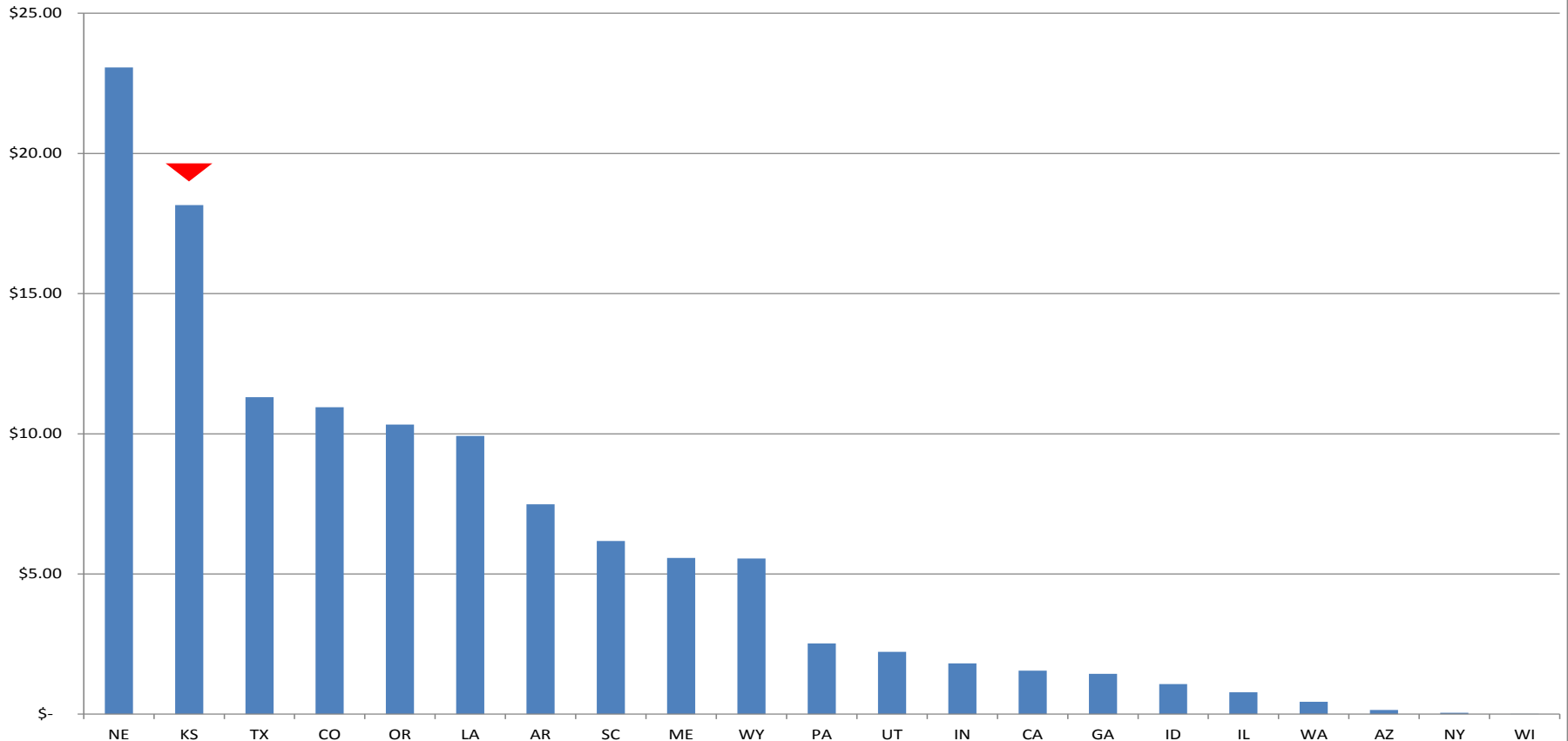


### Source of Data: National Regulatory Research Institute's *Survey of Universal Service Funds* - July 2012

- - Per the NRRI Report, in Texas the fund collects monies as a whole and not by an individual program, so specific amounts were not included in the NRRI Report for High Cost funding. However, the *Texas Public Utility Commission's Review and Evaluation of the Texas Universal Service Fund, Pursuant to Senate Bill 980, 82nd Legislature, Regular Session, November 1, 2012*, indicates that 82% of USF funding is distributed for High Cost purpose. Thus, \$290M ( $\$354M \times 0.82$ ) is earmarked for High Cost funding.
- - Other state Commissions have considered, or are considering, measures to reduce their state's high cost Universal Service Funds (e.g. - CO, GA, OK and TX). Such measures would involve several companies doing business in Kansas, including AT&T, CenturyLink and Sprint.

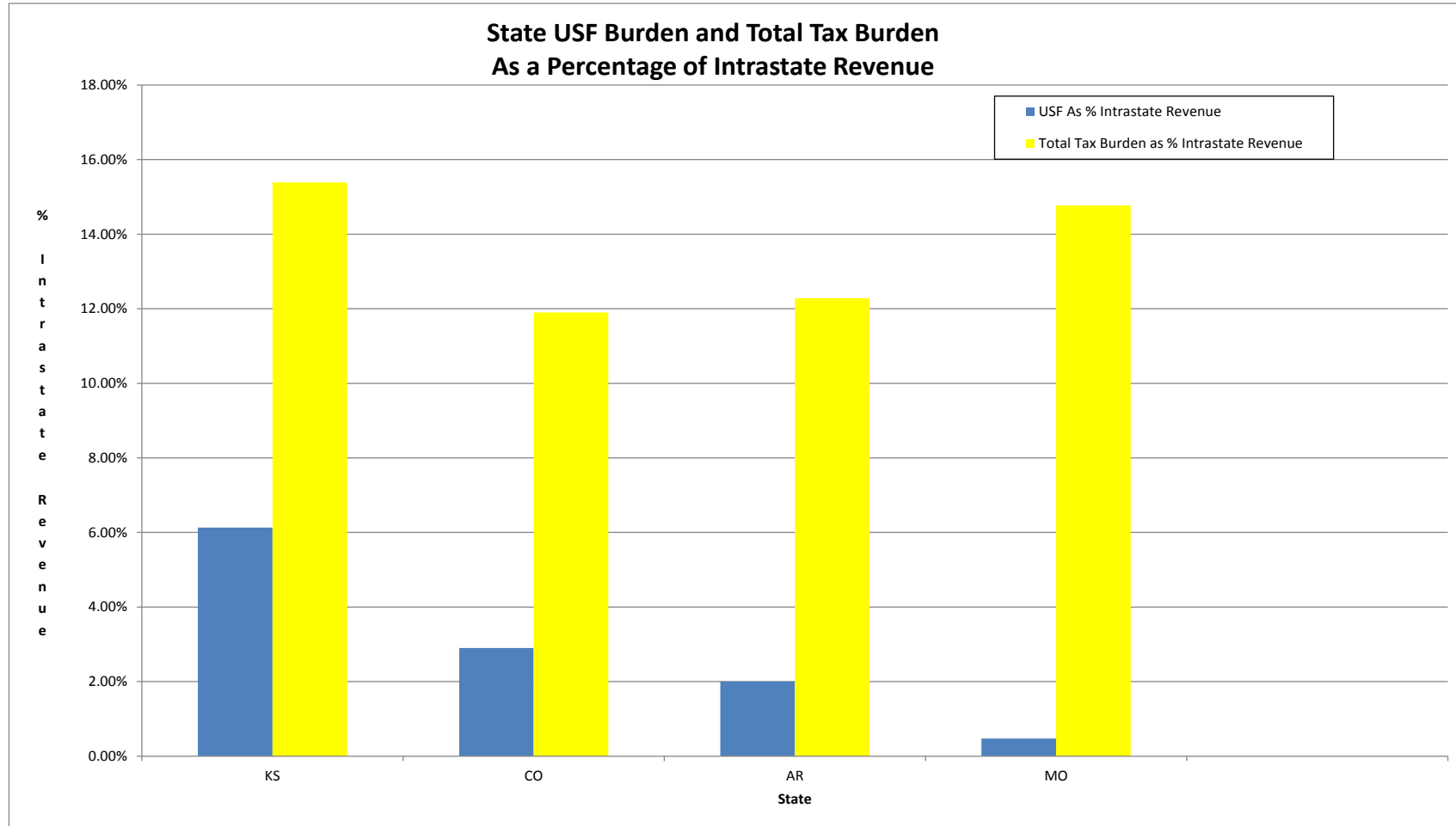
**KANSAS HIGH COST UNIVERSAL SERVICE FUND  
NEARLY THE LARGEST ON PER CAPITA BASIS**

**Per Capita High Cost Universal Service Funding**



- - Each state's Per Capita High Cost Universal Service Funding amount was calculated by dividing the state's total High Cost Universal Service Fund amount by the state's total population.
- - The population data was obtained from the United States Census Bureau data published by the United States Department of Commerce. The 2011 population amounts were utilized for the calculation.

**KANSAS TOTAL TAX BURDEN AND USF BURDEN  
ON CONSUMERS AND BUSINESSES  
REMAINS ONE OF THE HIGHEST ON A REGIONAL BASIS**



Source of USF Data: National Regulatory Research Institute's (NRRI) *Survey of Universal Service Funds* - July 2012

Source of Total Tax Burden Data: *Tax Analysts Special Report* - By Scott Mackey - October 2012. In addition to High Cost USF charges, the Total Tax Burden includes items such as: State Sales Tax, Local and County Taxes, Emergency 911 Fees, Telephone Relay Service Fees, and Telephone Assistance Program Fees.

**POTENTIAL CUSTOMER SAVINGS  
RESULTING FROM HB 2201  
AS INTRODUCED IN HOUSE**

	Current	If HB 2201 Approved As Introduced In House
<b>Amount Billed to Customer For Kansas High Cost USF (1)</b>	\$ 8.30	\$5.99
<b>Customer's Monthly Savings</b>	\$ -	\$2.31
<b>Customer's Annual Savings</b>	\$ -	\$27.76

(1) - For purposes of this analysis, we assume the customer has a single AT&T land line with the AT&T \$25 long distance plan that includes unlimited long distance calling (see [www.corp.att.com/local](http://www.corp.att.com/local) service for details), and four Sprint wireless phones subscribed to the Sprint Everything Data Plan.

# *Sprint's Significant Contributions To Fueling The Kansas Economy*

- Sprint's total investment in Kansas current stands at \$4.3 billion.
- Sprint plans to invest \$69 million in Kansas as part of its nation-wide Network Vision project.
- The economic growth associated with spending the \$69 million on the Network Vision project in Kansas is estimated to generate 500 jobs. (Based on the Regional Input-Output Modeling System - RIMS II- macroeconomic model maintained by the Commerce Department)
- Sprint currently employs 7,218 workers in Kansas as of 3Q 2012.
- Sprint Kansas resident employees earned \$598M in wages during 2011.
- Sprint Kansas resident employees paid \$29M in payroll taxes in 2011.
- Sprint paid \$18.3M in property taxes in Kansas during 2011.