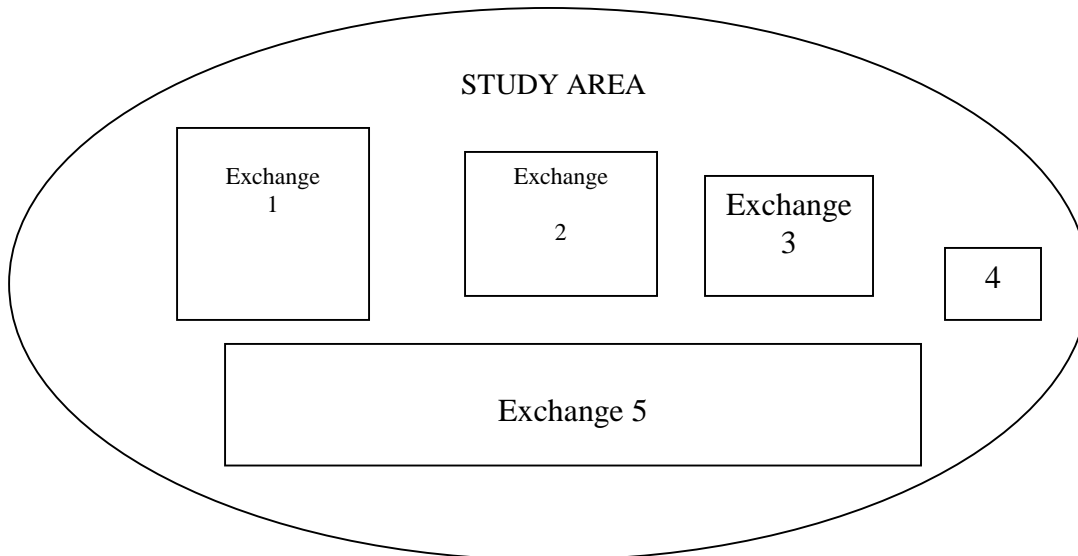


STUDY AREA, EXCHANGE, AND SUB-EXCHANGE

A Study Area, as a general rule, consists of one or more exchanges operated by one company in the state. The FCC determines study areas.

Exchanges are different sizes, both geographically and in customers served.



An exchange can have one or more wire centers; more than 90% of rural exchanges have one wire center.

An Exchange without Zones



In 1998, WUTC and Companies petitioned the FCC to approve disaggregation of federal universal service support into two zones for each exchange, a lower cost Zone A and higher cost Zone B. The FCC approved the disaggregation in 1999.

Zone A	Zone B
Low-Cost (High-Rev.) 5	High-Cost (Low-Revenue) 5