any "streamlining" that could have that practical effect, and any measure that would impose new administrative costs only on exchange carriers.

The Lifeline program was specifically designed to provide aid to low-income households. The questions of eligibility and verification requirements have been examined twice in the past by the Federal State Joint Board, and each time, the need for both a means test and verification of eligibility were stressed to avoid making the program "susceptible to widespread abuse."[29] These sensible precautions should not be abandoned.

The *Notice* (at para. 52) observes that the California self-certification system has been "very successful in attracting eligible households to the Lifeline program."[30] That there is heavy use of Lifeline support in California does not mean self-certification has been "very successful." For one thing, it does not tell to what extent Lifeline subscribers are properly eligible, so it is not possible to ascertain the degree to which adoption of the California model would comply with either the *Targeting Principle* or the *Minimize Subsidy Burden Principle.*

California penetration levels at the moment exceed the nationwide average by a small margin,[31] but heavy weight should not be placed on these figures given the

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[29] *See* GTE at 47-48.

[30] *See also* Consumer Action at 5.

[31] According to FCC statistics, California's subscribership level is slightly above the nationwide average: 94.7 percent versus 93.9 percent. *See* TELEPHONE SUBSCRIBERSHIP IN THE UNITED STATES ("TELEPHONE SUBSCRIBERSHIP"), Industry Analysis Division, Common Carrier Bureau, August, 1995, at 14.

pattern of frequent fluctuations.[32] Pacific Bell at (16-17) cautions against adopting "specific regulatory prescriptions based on fluctuating statistics." Also, there is a "strong relationship between income and penetration,"[33] and the average household income in California is among the highest in the nation.[34] What can be said is adopting the California approach would be likely to mean a Lifeline subscriber base several times greater than the current level.[35] The question is whether current Lifeline funding would support such an enormous program.[36]

Further, determining eligibility for Lifeline and other social assistance programs and collecting funding for such programs must remain the responsibility of governmental social service agencies.[37] The role of the exchange carrier -- or of any

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[32] Between November 1993 and March 1995, the subscribership level in California ranged between a high of 95.8 percent and a low of 94.4 percent. *See* TELEPHONE SUBSCRIBERSHIP at 10-14.

[33] *See* TELEPHONE SUBSCRIBERSHIP at 4.

[34] California's average household income in 1994 was $52,700. *See* GTE at Attachment D.

[35] *See* Southwestern Bell (at n.8) stating that "2.3 million of the 4.4 million Lifeline participants nationwide reside in California."

[36] *See* GTE (at Attachment C) comparing the number of GTE customers in California participating in the Lifeline program with the level in other states; and the suggestion of Southwestern Bell (at n.9) that the eligibility criteria in California "may be too easy to meet."

[37] GTE opposes all suggestions that the exchange carriers or other local service provider become the entity that determines whether an individual meets eligibility criteria. *See*, for example, Southwestern Bell at 16. Further, GTE opposes TRA's suggestion (at 7) that LECs become the collectors and administrators of "private contributions to supplement" a federal program. The cost of administration would far outweigh any conceivable benefits. Further, as GTE has explained numerous times *supra*, such a requirement applied only to one local service provider would distort competition.

other local service provider -- should be limited to examining eligibility documentation issued by such agencies.[38] This form of verification is effective in screening out questionable applicants, and not overly burdensome for local service providers.

The Public Utility Law project of New York ("PULP") (at 15) describes an interesting variation that extends the reach of the Lifeline program without violating the principle of narrow targeting. Specifically, in New York, NYNEX[39] and Rochester are engaged in a process whereby a local service provider and a state agency electronically link the means-testing performed by a state agency with Lifeline enrollment activities. In New York, an individual on public assistance and without telephone service would receive automatic notification of eligibility; while a party on public assistance and already a telephone subscriber would automatically be included in the Lifeline program. Subject to thorough evaluation of costs and benefits, this approach may have merit.

In summary: The Commission should not change the Lifeline and Link-up assistance programs either to include schools and libraries or to adopt self-certification procedures.

E. No educational requirements should be imposed; any requirements imposed should be funded.

The *Notice* (at para. 46) predicts that "a greater effort toward educating consumers" could make potential subscribers better informed regarding the cost of telephone service and assistance programs. It asks (*id.* at para. 47) whether such

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[38] The Florida PSC (at 5) recommends notifying candidates of the existence of the Lifeline program "when they sign up for social service assistance."

[39] *See also* NYSDPS at 7.

education "should be the responsibility of the local telephone companies either working alone or in conjunction with state or local governments."

GTE (at 41-43) and other parties agree that informing both potential and existing subscribers regarding the availability of services that will assist in obtaining and retaining telephone service is likely to lead to increased subscribership levels. For example, the Pa PUC (at 16) "agrees that education is key and that lack of knowledge or misconceptions may contribute to non-subscription even where the availability of services is not an issue."[40]

To maximize the effectiveness of educational programs, many comments recommend that educational efforts must be undertaken by all local service providers and social service agencies. Sprint (at 13-14) recommends that applicants for public assistance be given an informational package describing Lifeline and Link Up. TRA (at 8) predicts that educating consumers through "a combined public/private, federal/state effort" could prove "less costly " than either the *Notice*'s proposals or increasing financial assistance programs.[41] The Pa PUC (at 17) recommends "broad based and inclusive" education by all carriers, including new local service providers, since "it is shortsighted to rely solely on LEC resources to promote subscribership and other telecommunications education issues."

The Florida PSC (at 7) agrees that "consumer awareness initiatives should involve coordination between telecommunications providers and social service

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[40] *See also* IUB at 5, Consumer Action at 3.

[41] *See also* Cincinnati Bell at 11.

agencies."[42] Based upon its experience, Bell Atlantic (at 7) concludes that the maximum effect can be realized by programs "developed jointly by the telephone company, the state commission, local government officials, and community groups."

GTE suggests that educational efforts intended to promote subscribership but aimed at narrow customer segments will be very costly on a per-subscriber-gained basis. GTE (at Attachment A) and Pacific Bell (at 12-14) describe the extensive educational program under way in California, a program designed specifically for a number of ethnic population segments.[43] GTE (at 43-44 and Attachment A) explains that such programs are very different from the normal broad-based or brand-image advertising performed by exchange carriers because they:

(i) are aimed at a single product offering (local service);

(ii) offer limited revenue potential (*i.e.*, the target audience is typically low income);

(iii) require extensive development efforts that are not applicable to the general body of consumers; and

(iv) use very different advertising mediums (*e.g.*, native language print and radio).

GTE agrees with the IUB's recommendation (at 4) that the Commission should not adopt a nationwide mandate for specific educational programs aimed at potential

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[42] *See also* MoPSC (at 7).

[43] This California educational program is eligible for external funding from the Universal Lifeline Telephone Service fund created by the California PUC.

customer segments until all relevant costs can be understood, and the effectiveness (anticipated subscribership gains) can be predicted with some degree of confidence.

Consumer Action, a California-based group, opposes (at 7) "reliance on local or long distance companies to conduct the educational effort" because "[e]ducation needs to be conducted by entities that are not at the same time battling for telephone customers." GTE agrees that unfunded, mandatory education should not be required of local service providers participating in a competitive market structure.

GTE also stresses that educational efforts by local service providers should not be mandatory, absent external funding for programs that go beyond those measures a service provider would normally use. GTE is confident that many firms will choose to target unserved population segments.[44] If a truly competitive marketplace is to exist in harmony with the *Competitive Neutrality Principle*, the Commission should avoid trying to compel subsets of firms competing for customers to perform a social agency function.[45]

In summary: The FCC should impose no educational requirements; if it insists on doing so, any requirements should be funded.

II. ANY FCC ACTION AIMED AT INCREASING SUBSCRIBERSHIP SHOULD BE FOCUSED IN THE USF PROCEEDING.

The primary means by which the Commission can act to improve subscribership levels, particularly in unserved areas or high-cost areas, is by acting to provide more

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[44] *See*, for example, MCI at 5.

[45] For example, local competition will be authorized to take place in California on January 1, 1996. On September 1, 1995, over sixty carriers applied for certification from the Public Utilities Commission of the State of California to provide local service in GTE's service territory.

effective high-cost assistance to local service providers in those areas so as to hold local service prices to affordable levels. This is broadly being considered in the Commission's universal service proceeding.

In that proceeding, GTE has recommended to the Commission a framework that would replace today's reliance on hidden universal support with a new program that would be far more effective. GTE's proposal: (i) carefully targets high-cost assistance to specific geographic areas, (ii) is neutral with respect to the identity of a service provider or the choice of technology, (iii) minimizes the support burden on any single entity, and (iv) allows any local service provider agreeing to meet minimum criteria to obtain assistance.[46] GTE continues to urge the Commission to adopt GTE's recommendations.[47]

This would begin the process of reforming archaic universal service support mechanisms to make them sustainable in a competitive telecommunications market environment. Among the many beneficial results of this reform would be to allow for an effective response to the questions raised by the *Notice*. A new assistance program that would provide an appropriate amount of high-cost support to any local service provider would permit an increase in the level of telephone subscribership in high-cost areas.

In summary: The most effective action the Commission could take would be to focus its efforts on its universal service proceeding to change the current hodgepodge

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[46] The GTE plan for universal service support was fully detailed in GTE's Comments and GTE's Reply Comments filed September 28, 1994, and December 2, 1994, respectively, in *D.80-286*.

[47] *See also* Southwestern Bell at 3-4.

of universal service assistance mechanisms that rely heavily on hidden subsidy flows into a new program that fosters competition and allows each service provider -- including large exchange carriers -- to compete on their own merits.

III. ANY MEASURES ADOPTED (I) SHOULD APPLY TO ALL LOCAL SERVICE PROVIDERS; AND (II) SHOULD INCLUDE THE MEANS FOR THE LOCAL SERVICE PROVIDER TO RECOVER ALL ASSOCIATED COSTS.

1. The costs of any obligations imposed should be borne by all service providers; any carrier obligations imposed should apply to all carriers.

A diversion of LEC resources and higher LEC costs would result from imposition of the subscribership proposals of the *Notice* on an asymmetrical basis, *i.e.*, on exchange carriers only. The higher operating costs and uncollectibles -- shown to be inevitable, *infra* -- would have to be either "eaten" by the company or borne by other customers. Competing local service providers would not have similar costs to incorporate in their prices, and would benefit from an unfair regulation-derived competitive advantage. Such action would exacerbate the asymmetric regulatory structure that now exists and violate the *Competitive Neutrality Principle.* Any subscribership mandate adopted by the Commission must be "extended to include all local service providers. Such an extension would ensure competitive neutrality."[48]

Further, imposing the proposed requirements only on exchange carriers would place a double burden on LECs. Not only would LECs be obliged to serve the most costly customers in the aggregate, *i.e.*, in terms of categories of customers -- such as those living in high-cost areas; exchange carriers would further be required to carry the

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[48] General Services Administration at 4. *See also* Southwestern Bell (at 5) and BellSouth at n.14.

individuals that are the most troublesome, while LEC competitors would be free to target their efforts to attract customers with high revenue opportunities and a good payment history.

2. To the extent that the Commission requires local service providers to implement new programs aimed at increasing telephone subscribership, such programs should be either (i) financially self-sufficient, or (ii) supported by an explicit support mechanism provided by government, a mechanism that is not funded through prices for telecommunications services.

If the FCC decides to require development of new services to promote increased subscribership, prices should be set at a level that fully recovers the costs. If such prices are deemed to be unaffordable by the low income customers for whom they are designed, then an explicit governmental mechanism at the federal and/or state levels should be established to ensure that the exchange carrier -- and any other local service providers to which such requirements apply -- are fully compensated.

The effect of adopting measures such as interstate-only toll restriction service, the *Disconnection Prohibition*, special extraordinary educational and marketing activities, and deposit limits, will all require exchange carriers to incur both initial implementation costs, and increased ongoing costs because of new administrative expenses and losses from non-payment for services rendered. The Commission cannot require those costs to be recovered through state service prices, so either a federally tariffed service or a federal funding program must be created.[49] Because the *Disconnection Prohibition* has no associated service for which charges can be

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[49] State regulatory agencies also will be forced to address the higher uncollectible revenue amounts associated with local and other intrastate services, and to design mechanisms that permit recovery of those losses.

assessed, costs related to that proposal must be recovered from an explicit federal funding mechanism if the *Competitive Neutrality Principle* is to be met. The FCC, if it established these mandates, would have to concern itself with assuring availability of the necessary funding to any local service provider to which subscribership mandates apply.[50]

In summary:

1. GTE recommends against adopting the Notice's proposals for new federal regulations aimed at increasing telephone subscribership. If any such requirements are adopted, it would be bad public policy to apply them only to exchange carriers because this would adversely affect the ability of exchange carriers to compete equally with other common carriers offering substitutes for traditional residential local service.

2. Adoption of new federal regulations aimed at increasing subscribership levels must be accompanied by: (i) a combination of prices that fully recover the costs of specific new services, and (ii) explicit and effective funding for activities that a local service provider incurs directly as a result of a Commission mandate, and that are not directly chargeable to a customer.

IV. RATE INTEGRATION WOULD HAVE NO EFFECT ON SUBSCRIBERSHIP LEVELS IN THE NORTHERN MARIANA ISLANDS.

Comments filed by the Commonwealth of the Northern Mariana Islands (the "Commonwealth") claim (at 7) that "rate integration would put upward pressure on the low subscribership level" in the Northern Mariana Islands ("NMI").[51] GTE serves the

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[50] *See, e.g.*, Consumer Action at 7, Southwestern Bell at 5, Pacific Bell at 29.

[51] The Commonwealth has requested the Commission to take steps to integrate the NMI into the domestic rate plan. *See* Commonwealth at 6 and n.17.

NMI through its Micronesian Telecommunications Corporation ("MTC"), a subsidiary of GTE Hawaiian Telephone Company. *Infra*, GTE disagrees that rate integration for the NMI would have any upward influence upon subscribership levels, describes GTE's success in increasing subscribership levels in the NMI, and discusses a number of factors that directly affect telephone service penetration in the NMI.

A. Long distance rates have no relevance to subscribership levels.

Contrary to statements made by the Commonwealth (at 7), local service subscribership levels would not be impacted by rate integration. This is true because local service subscribership levels are not suppressed by existing end user long distance rates or by access rates charged to long distance carriers in the NMI. Further, rate integration would have no impact on either local service prices or access rates[52] in the NMI. Moreover, it is not a given that rate integration would lower long distance rates from the NMI to the U.S. Mainland.

The Commonwealth bases its statements (at 6-7) regarding a reduction in long distance rates associated with rate integration on supposition, not fact. The Commonwealth assumes that calls from the NMI would use AT&T's highest mileage band in Rate Schedule 1.[53] This assumption is wrong for two very basic reasons.

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[52] The Commonwealth at n.16 complains that carrier access charges in the NMI are "exceptionally high." These rates are in full compliance with all applicable FCC regulations, and are reflective of both the high cost of serving the NMI and the large sums GTE has invested in recent years.

[53] *See* Reply Comments of the Commonwealth of the Northern Mariana Islands, File No. AAD 95-86, September 14, 1995, at n.23.

First, AT&T's Rate Schedule 1 is for Intra-Mainland, Mainland-Hawaii, and Mainland-Alaska -- not for the rate integrated territories of Puerto Rico and the U.S. Virgin Islands.

Second, if AT&T were required to rate integrate the NMI, it is highly likely that a new rate schedule based on the costs of serving the NMI would be created. This would be analogous to AT&T's action when ordered to rate integrate Puerto Rico and the U.S. Virgin Islands, *i.e.*, AT&T established a separate rate schedule (Schedule IVP) based on the costs of serving those areas. Accordingly, it is reasonable to expect that a new rate schedule based on the costs of serving the NMI would be created.

Further, a new rate schedule for the NMI would undoubtedly be priced higher than Schedule IVP. This would occur because: (i) the NMI is much further from the U.S. Mainland -- the distance from the NMI to all but a few points on the U.S. Mainland far exceeds AT&T's highest mileage band; (ii) calls from the NMI to the U.S. Mainland must use international satellites that charge approximately four times more per unit of traffic than the domestic satellites used to serve Puerto Rico and the U.S. Virgin Islands; and (iii) the NMI has lower calling volumes than found for either Puerto Rico or the U.S. Virgin Islands.

The Commonwealth attempts to link rate integration to telephone subscribership in the same manner that it has previously tried to link admission to the North American Numbering Plan ("NANP") with rate integration.[54] These three issues -- inclusion in the

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[54] The governor's office of the Commonwealth has claimed that inclusion of the NMI in the North American Numbering Plan "would lower the high cost of telecommunications in the CNMI." *See* "Callers Await Big Savings from Phone Code Change," Saipan Tribune, October 23, 1995, at 5.

NANP, rate integration, and subscribership levels -- are separate, distinct, and must be addressed individually.

B. GTE has invested heavily to modernize the telephone system in CNMI, and has achieved a substantial increase in installed lines.

GTE has been successful in increasing the subscribership level since assuming control of the local telephone company in the NMI in 1981. At that time, local investment was minimal and the quality of service was poor. It was often easier to walk or drive to a business, or to the home of a friend, than to call any of the few hundred customers subscribing to telephone service. There were less than 1,000 total telephone lines in place.[55] GTE began modernizing the local system, and residential subscribership levels began an immediate increase. Residential subscribership is currently over seven times higher than when GTE began providing service.[56] At the end of 1994, there were over 14,300 wireline subscribers and an additional 900 cellular subscribers. In 1994 alone, telephone subscribership increased 6.1 percent.

GTE has invested over $70 million to date in infrastructure improvements such as 100% digital switching, fully buried outside cable facilities including a self-healing fiber ring, and a broad array of services useful to residential customers such as calling cards, prepaid phone cards, Telecommunications Relay Service, voice mail, and SmartCallK custom calling. There is no unfilled backlog of demand for residential service. GTE

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[55] *See* Attachment A.

[56] *See* Attachment B at 91. Attachment B includes a number of pages extracted from the 1993 Commonwealth of the Northern Mariana Islands Statistical Yearbook ("*1993 CNMI Statistical Yearbook*"), Central Statistics Division, Department of Commerce and Labor, May, 1994.

installs local service within five days in locations where cable facilities are present, and in 30 days or less when construction of new cable is required.

Moreover, GTE offers three different forms of toll blocking to assist residential customers in controlling their long distance expenditures.[57] These include: (i) blocking all outgoing long distance calls, including operator access; (ii) restricting outgoing long distance calls only to authorized persons; and (iii) prohibiting all incoming collect calls. The fees for these services are reasonable at $3.00, $0.50, and $2.00 per month, respectively, for both business and residential customers.

In addition, to help hold local service prices to an affordable level, GTE has secured funding for the NMI from the Universal Service Fund which, in 1995, will amount to over $2 million. This provides a subsidy of almost $13 per line per month, based on a cost per loop that exceeds $500.

C. There are a number of factors present in the CNMI affecting subscribership levels that are not present on the U.S. Mainland.

The Commonwealth states that "only 66.8% of the population have telephones."[58] GTE does not support the computational method used to derive this figure because it is based only upon the number of residential structures.[59] Further, modifying the numbers

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[57] *See Notice* at paras. 16-19.

[58] Commonwealth at 4 (emphasis omitted) (footnote omitted).

[59] The Commonwealth at n.10 cites the *1993 CNMI Statistical Yearbook* at 78. However, the *1993 CNMI Statistical Yearbook* at 78 does not provide a telephone subscribership statistic. The Commonwealth apparently calculated the percentage of residential structures that had a telephone in 1990, and offers that number as the subscribership level. *See* Attachment B at 82, Table 9.14 -- (8210 total structures - 2724 structures without a telephone)/8210 = 0.668.

used by the Commonwealth to eliminate unoccupied structures leads to almost an 80% penetration.[60]

However, as comments in the instant proceeding have discussed, there are a number of economic, cultural, lifestyle, geographic and other factors that influence subscribership levels.[61] Specifically, there are a number of such factors that must be considered in comparing the subscribership level in the NMI with that normally found on the U.S. Mainland.

First, over fifty percent of the population of the NMI are non-resident alien workers from the Philippines, China, and South Korea.[62] Half of these workers do not have a "household" *per se*, but reside in dormitories[63] and rely on pay phones to make telephone calls.[64]

Second, many of the nonresidents come from countries where residential telephone service is not readily available. Many of these individuals are

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[60] Compare, Attachment B at 82, Table 9.14, with Attachment B at 83, Table 9.17. Amending the Commonwealth's method to consider only occupied structures yields almost 80% penetration -- (8210 - 2724)/6873 occupied structures = 0.798.

[61] *See, e.g.*, Iowa Utilities Board at 1-2, and n.7 *supra*.

[62] *Business Almanac 1995*, "Northern Mariana Islands People," Source: U.S. Bureau of the Census, the Commonwealth of the Northern Mariana Islands, Department of Commerce and Labor's central statistics division.

[63] Over a quarter of the total CNMI population lives in some form of group housing.

[64] GTE has approximately 200 pay phones in service, plus about 100 debit phones for direct dial long distance calls. It is also common practice in the NMI for businesses to allow their business telephone to be used by customers to make brief local calls rather than installing a pay telephone. Moreover, both GTE and IT&E Overseas, Inc. (an interexchange carrier serving the NMI) have contractual arrangements with various businesses to offer long distance calling centers. There are about 40 such centers in operation.

accustomed to using pay telephones or using the telephone of a friend or business.[65] This is also customary among many of the local island residents.

Third, these workers are generally paid the minimum wage of $2.45 an hour.[66] This low income level makes even a reasonably priced local service beyond economic reach, even if there were a "household" in which to install residential service.[67]

Fourth, in 1990, the median household income in the NMI was less than two-thirds that of the U.S. Mainland ($20,644 compared to $33,825). This means that a third of all families, comprising over half of the population, were below the poverty level.[68] It is well recognized that there is "a strong relationship between income and penetration."[69]

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[65] For example, in 1993, two-thirds of all non-resident work permits were issued to Filipinos. *See* Attachment B, *1993 CNMI Statistical Yearbook* at 42. In the Philippines, it is customary to use a neighbor's phone to make calls, or to call from a long distance booth. In the Philippines, there were only 2.4 telephones per 100 of population in 1994. *See also* Philippine Long Distance Telephone Company ("PLDT") Annual Report for 1994, : The telephones per 100 of population in 1994 averaged "12.9 in Metro Manila, and 0.708 in other regions in the Philippines."

[66] *Business Almanac 1995,* "Northern Mariana Islands Economy," Source: Northern Mariana Islands Department of Finance, Department of Commerce and Labor.

[67] GTE's rate for local residential service is $19 per month, not including a $3.50 Subscriber Line Charge.

[68] *See* Attachment B, *1993 CNMI Statistical Yearbook* at 120.

[69] *See TELEPHONE SUBSCRIBERSHIP* at 4.

Fifth, the high proportion of renter-occupied housing units and the large number of multiple unit structures both contribute to a lower subscribership level than the average for the U.S. Mainland.[70]

Sixth, the predominant culture of many of the island residents is based on a strong extended family unit. It is very common for many members of an extended family to share a household. In these cases, a single telephone serves the needs of many individuals, distorting any comparison based on total population and telephone lines.

Seventh, many households lack amenities, such as electricity or complete plumbing. It is reasonable to assume that an occupant of a dwelling without such comforts would place a lower priority on telephone service than on obtaining basic living comforts.[71]

Eighth, due to the size of each island, in many cases a telephone is not essential to remain in touch with friends, relatives or employers. For example, the largest island, Saipan, is 12.5 miles long and 5.5 miles wide.

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[70] *See* Attachment B, *1993 CNMI Statistical Yearbook* at 77, showing that 16.4 percent of structures in 1990 had more than one unit, and fifteen percent had three or more units, and at 121, showing that less than half of the occupied housing units in 1990 were owner occupied. *See also* Jorge Reina Schement, Alex Belinfante, Larry Povich, *Telephone Penetration 1984-1994* (prepared for FCC Chairman Hundt), at 12, stating that "telephone penetration is lower in multiple unit housing" and that the subscribership level for rental households falls "significantly below the penetration rate for people living in houses that they own."

[71] In 1990, only 91 percent of all CNMI housing units had electrical service and only 72 percent had complete plumbing. *See* Attachment B, *1993 CNMI Statistical Yearbook* at 75, 79 and 80.

In summary: Integrating the NMI into a domestic rate band would have no effect on subscribership levels. It is not even clear that long distance calling rates would be reduced because of the higher costs of long distance calling from the NMI to the U.S. Mainland, as compared to existing AT&T rate schedules. Since GTE became the local service provider in NMI, it has invested heavily to offer a broad array of useful services to the inhabitants of the NMI. These efforts have resulted in increasing the number of residential telephones by a factor of seven. There are many economic and cultural reasons for subscribership levels in the NMI to be different than normally found on the U.S. Mainland.

Respectfully submitted,

GTE Service Corporation and its affiliated domestic telephone operating companies

Richard McKenna, HQE03J36
GTE Service Corporation
P.O. Box 152092
Irving, TX 75015-2092
(214) 718-6362

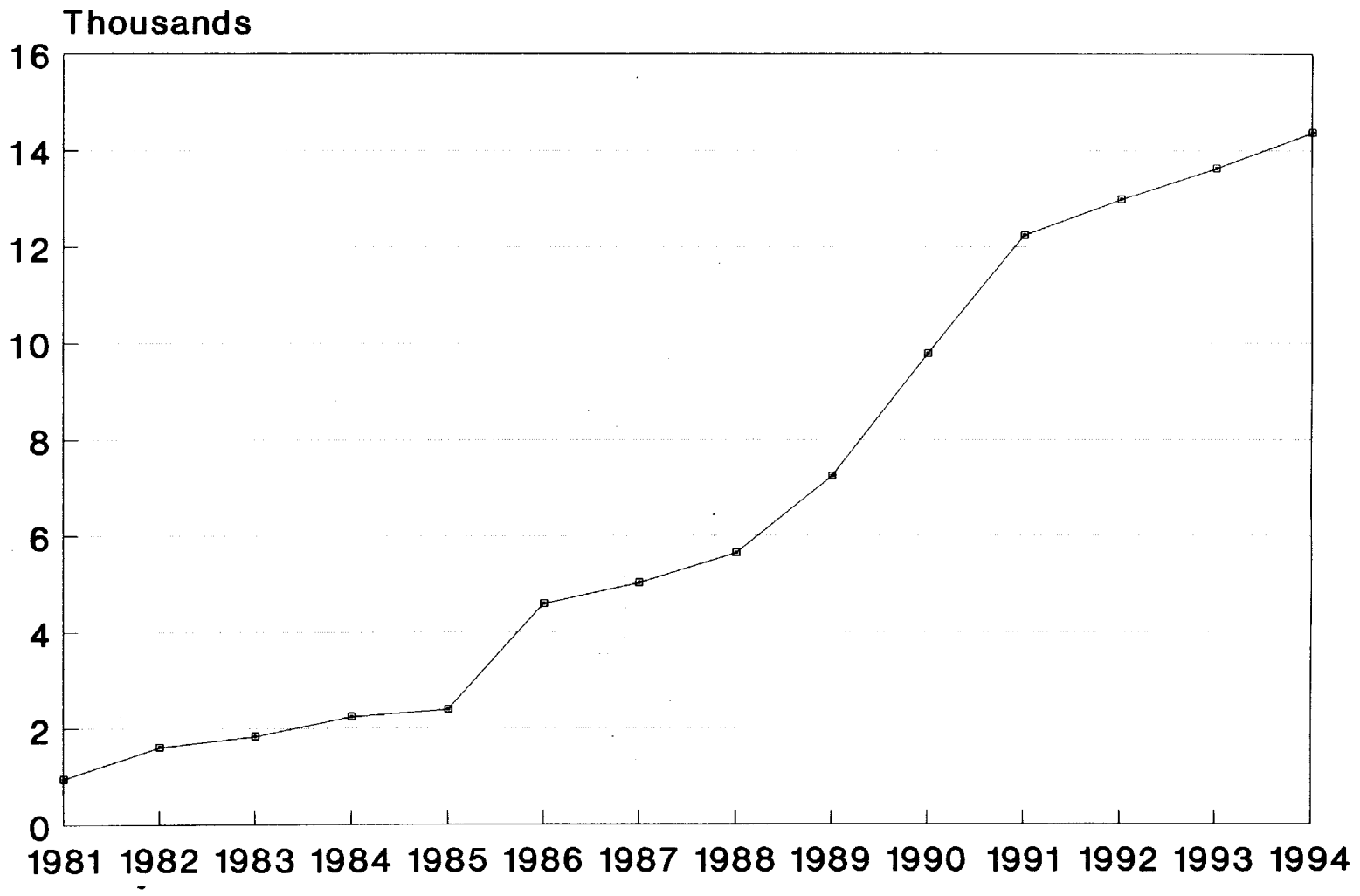
By _____
Gail L. Polivy
1850 M Street, N.W.
Suite 1200
Washington, DC 20036
(202) 463-5214

November 20, 1995

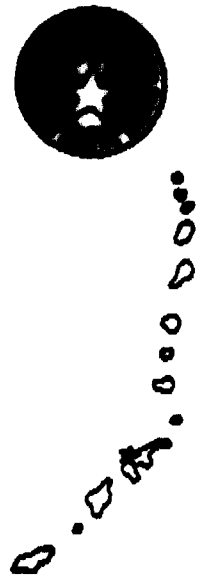
Their Attorneys

ATTACHMENT A

NMI Installed Telephones



ATTACHMENT B



1993

COMMONWEALTH of the NORTHERN MARIANA ISLANDS STATISTICAL YEARBOOK

May 1994

Department of Commerce and Labor
Pedro Q. Dela Cruz, Director

Central Statistics Division
Juan S. Borja, Chief

Table 4.16 Permits Issued to Non-Resident Workers by Nationality: 1989 to 1993

	Year				
Nationality	1993	1992	1991	1990	1989
Total	11,999	23,027	26,143	21,857	18,411
Chinese	2,802	5,186	4,570	3,728	2,184
Filipino	8,120	15,812	18,940	14,762	11,786
Japanese	334	585	584	506	484
Korean	309	700	1,094	1,748	2,933
Thai	294	519	606	694	778
Other	140	245	349	419	246

Source: Central Statistics Division

Table 4.17 Permits Issued to Non-Resident Workers by Satus and Year:1990-1992

	Year		
Permit Status	1992	1991	1990
Total	23,090	26,141	22,015
New	9,092	12,840	10,952
Renew	13,354	13,066	10,500
Transfer	134	76	53
Extension	510	359	510

Source: Central Statistics Division

Table 4.18 Permits Issued to Non-Resident Workers by Industry and by Year:1991-1992

	Year	
Industry Category	1992	1991
Total	23,027	25,871
Agriculture, Forestry, Fishing	16	12
Mining and Quarrying	0	2
Construction	4,179	3,842
Manufacturing	6,258	5,753
Transportation and Utilities	10	13
Wholesale trade	12	5
Retail trade	749	342
Finance, Insurance, Real estate	17	1
Services	5,115	3,317
Public administration	3	0
Unceded (SIC)	6,668	12,574

Source: Central Statistics Division

Summary of Housing

The number of housing units (8,210) in the Commonwealth in 1990 was almost twice the number of housing units in 1980 (3,522). The increased number of units reflects the increased demand for housing by a growing population and a prospering economy. More than half of all units in 1990 were built between 1985 and 1990, a period of high growth in population and economic development in the CNMI. There were more multiple-unit structures in 1990, compared to 1980. Over 88 percent of all housing units were located in Saipan in 1990, where most people and businesses are located.

Over 66 percent of all units had concrete walls, only about 20 percent had metal walls and only 13 percent had wooden walls. This was a major change from 1980 and prior census years when more than half of all housing units had either metal or wooden walls. Also in 1990, over 48 percent of total units had concrete roofs and 49 percent had metal roofs. This was a significant change from 1980 when 33 percent of housing units had concrete roofs and over 50 percent had metal roofs--in 1967, over 85 percent of housing units had metal roofs.

Over 72 percent of units in 1990 had complete plumbing; only about 28 percent lacked complete plumbing. This was a major improvement from 1980 when about half of all units had complete plumbing and half were without complete plumbing. In 1990, over 66 percent of units got their water solely from public system only, 27 percent depended on both public system and private water catchments, and 3 percent relied solely on private water catchment systems. In 1980, over 92 percent of housing units got their water from public system only.

Over 33 percent of units were connected to public sewer systems, about 47 percent were using septic tanks/cesspools, and 18 percent used other means of disposing sewage.

In absolute numbers, more units had electricity, cooking facilities, and refrigerators in 1990 than in 1980. However, compared to 1980, proportionately more housing units were without electricity, without cooking facilities, and without refrigerators. CNMI-wide, 91 percent of housing units had electricity; by island, 92 percent of Saipan's housing units, 86 percent of Tinian's housing units and 79 percent of Rota's housing units had electricity. CNMI-wide , 83 percent of housing units had refrigerators; by island, 83 percent of Saipan's total units, 77 percent of Tinian's total units,

and 65 percent of Rota's units had refrigerators. Over 51 percent of total CNMI units had air conditioning; over 53 percent of Saipan's units, over 42 percent of Rota's units and about 35 percent of Tinian's units had air conditioning.

CNMI-wide, 88 percent of units had cooking facilities inside the building, 6 percent had cooking facilities outside the building and over 6 percent had no cooking facilities in 1990. About 33 percent of units in the CNMI had no telephones, about 13 percent had no radios, and about 18 percent had no television.

The median number of rooms was 4.0 in 1990. This was not too different from 1980 median of 4.1, but higher than the 1970 median of 3.3. Median persons per unit was 4.2 persons in 1990, a definite decline from 1980 median (5.4 persons) and 1970 median (6.2 persons). Persons per room declined from 1970 to 1980 to 1990.

Owner-occupied housing units constituted over 43 percent of total CNMI housing units, about 57 percent were renter-occupied units. Over 48 percent of Saipan's units, 47 percent of Tinian's units and about 40 percent of Rota's units were renter-occupied in 1990. Over 73 percent of total population (43,345) in 1990 lived in housing units; of those in housing units, 54 percent (17,267 persons) were in owner occupied units and 46 percent (14,589 persons) were in renter occupied units. A higher proportion of Rota's and Tinian's populations were in owner-occupied units, compared to Saipan's population.