

maintain telephone service. It cannot be said that these households can truly afford telephone service merely because they manage to find the money to subscribe. *See also*, Comments of the Office of Communication of the United Church of Christ, *et al.*, at 6.

Congress' use of the terms "just and reasonable" echoes the language of Section 201(b) of the 1934 Communications Act, 47 USC §201, which the Commission has interpreted to prohibit, *inter alia*, situations where there are very large, unjustified differences in charges for like services. *See, e.g. ITT World Communications, Inc.* 30 FCC 2d 101 (1970). Specifically, the Commission should prohibit carriers from rate discrimination based on geographical regions or income levels. This reading also advances the goal of Section 254's mandate that rural and high cost areas and low income subscribers receive services which are "reasonably comparable" to services provided in urban areas. 1996 Act, §254(b)(3). Moreover, it is congruent with Section 104, which prohibits "discrimination on the basis of race, color, religion, national origin, or sex." 1996 Act, §104.

B. Advanced Telecommunications And Information Services

Another Congressionally-mandated guiding principle requires the Joint Board and Commission to consider policies that preserve and promote "[a]ccess to advanced telecommunications and information services...." 1996 Act, §254(b)(3). Thus, Congress intended that the range of services progress far beyond traditional POTS. The definition must include enough modern features to be of practical value, but must avoid locking residential customers into technologies that become obsolete in a matter of years. This flexibility is especially important as interactivity turns advanced services, such as electronic voting and distance learning, into tools for citizenship. See discussion above, page 2.

Indeed, the Act does not require the Joint Board and Commission to adopt an immutable definition of specific technologies or services. The Act defines universal service as "an evolving level," a baseline which the Commission should "establish periodically" and for which the Joint Board may recommend modifications from time to time. 1996 Act, §254(c)(1), (2). Joint Commenters endorse join AARP and CFA in calling for the Commission to define a framework for future expansion of its universal service definition. CFA/AARP Comments at 11.

C. Low Income Consumers And Those In Rural, Insular, And High Cost Areas

A third guiding principle requires "low-income consumers and those in rural, insular, and high cost areas" to have access to "telecommunications and information services...that are reasonably comparable to...and...at rates that are reasonably comparable to" those in urban areas. 1996 Act, §254(b)(3). This is a critical notion, because these citizens risk inferior services, and/or unreasonable rates, despite the fact that the need for telecommunications and information services is greater among these citizens than the population as a whole.

Indeed, in rural areas, telecommunications and information services are an essential social and economic link to the world.

When information age technology is being used it is often to be used with even greater intensity in rural households than their urban counterparts - reflecting greater incidence of home-based business activity as well as greater need to overcome economic limitations associated with geographic space.

Richard Civille, *The Internet and the Poor*, in *Public Access to the Internet* 175, 191 (Brian Kahin and James Keller eds., 1995). But despite this heightened need for telecommunications services, subscribership among citizens in rural and high-cost areas falls short of the national average.¹⁰

¹⁰One 1993 report found that in communities with populations between 50,000 and 250,000, the percentage of households without telephones was 7.3, compared to a 6 percent national aver-

For low income citizens, lack of telecommunications services creates a barrier to getting timely medical attention, makes it difficult to report other emergencies such as fires or crimes, jeopardizes access to public assistance programs, impedes the ability to find and keep employment,¹¹ and impedes communications with friends and loved ones. See Ellis Jacobs, *Expanding Low-Income Communities' Access to Telecommunications Technology*, Clearinghouse Review, July 1995, at 271. But lack of service among low income citizens remains a serious problem. While the penetration rate for low income citizens depends on how one defines "low income," it still clearly trails the national average.¹² Moreover, the problems associated with lack of service for low income citizens fall disproportionately on racial and ethnic minorities, groups already facing serious obstacles in today's job market.¹³

Furthermore, the impact on children living in poverty may be especially great. These children have the least access to communications media, and are likely to fall further behind in

age. Jorge Reina Schement, *Beyond Universal Service*, at 5 (Benton Foundation, 1994) ("Schement"). Among citizens outside any metropolitan statistical area, this figure rises to 9.9 percent. *Id.*

¹¹Even though telephone service is essential to finding satisfactory employment, 10.8 percent of unemployed adults lacked home service in November, 1995. Alexander Belinfante, *Telephone Subscribership in the United States*, at 33 (FCC Common Carrier Bur., released Feb. 27, 1996) ("Belinfante").

¹²The percentage of households without telephone service rises precipitously from 6.9 for those with 1995 incomes between \$15,000 and \$19,999; to 12.7 for \$7,500 to \$9,999; to 24.7 for incomes less than \$5,000. Belinfante at 24. Among families receiving food stamps, public assistance, and welfare, the percentage without telephone service is 31, 34.7, and 27.9, respectively. Schement at 3.

¹³Across all three of the income demographics considered above, the percentages of black and hispanic families without telephone service were over twice as great as for white families. Belinfante at 24. For unemployed hispanics, this number was almost 50% greater than for whites; for unemployed blacks, it was more than two times as great. *Id.*

education and skills. Unless effective policies are created soon, America could lose a generation of children who will grow up disconnected from advanced telecommunications services and less able to participate fully in society.

Finally, as already discussed, enabling these disenfranchised citizens to gain access benefits society as a whole. See discussion above, page 4. It creates more individuals who can fully participate in and contribute to society, enables full employment and a healthier economy, and assists in providing education, health care, and emergency services.

CONCLUSION

These universal service principles are central to promotion of First Amendment values and to ensuring that every citizen can fully and equally participate in society. The Congressional mandate specifically includes these goals, and the Commission and Joint Board must effectuate policies which fulfill them.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

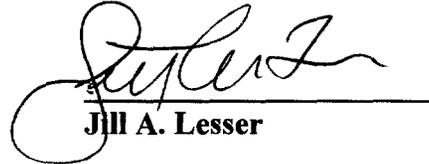
I, Joseph S. Paykel, certify that on this 12th day of April, 1996, I caused copies of the foregoing "Joint Comments" to be served by mail, first class postage prepaid on the parties listed in pages 66 to 70 in the Notice of Proposed Rulemaking, In the Matter of Federal State Joint Board on Universal Service, FCC No. 96-93. I further certify that I submitted a diskette containing the "Joint Comments" as required on page 62 of that Notice.



Joseph S. Paykel

CERTIFICATE OF SERVICE

I, Jill A. Lesser, certify that on this 28th day of May, 1996, I caused copies of the foregoing "Joint Comments" to be served in person in accordance with the requirements listed in paragraph 129 of the Order and Notice of Proposed Rulemaking, In the Matter of Implementation of Cable Act Reform Provisions of the Telecommunications Act of 1996, CS Docket No. 96-85.



Jill A. Lesser