



# PUBLIC NOTICE

Federal Communications Commission  
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## COMMON CARRIER BUREAU SEEKS COMMENT ON UNIVERSAL SERVICE RECOMMENDED DECISION

### CC DOCKET 96-45

Comment Date: December 16, 1996  
Reply Comment Date: January 10, 1997

On November 7, 1996, the Federal-State Joint Board adopted a Recommended Decision, as required by Section 254 of the Telecommunications Act of 1996 ("1996 Act"), regarding universal service. In the decision, the Joint Board made numerous recommendations on universal service issues including, for example, issues relating to: universal service principles; services eligible for support; support mechanisms for rural, insular, and high cost areas; support for low income consumers; affordability; support for schools, libraries, and health care providers; administration of support mechanisms; and common line cost recovery.

In addition, the Joint Board recommended that the Commission specifically seek additional information and comment on a number of topics including, for example:

1. **Principles.** How should the additional principle of competitive neutrality be defined and applied within the context of universal service?

2. **Low-Income.** What baseline amount of support should be provided to low-income consumers? Is the \$5.25 baseline amount suggested in the Recommended Decision likely to be adequate? How can the FCC avoid the unintended consequence that the increased federal support amount has no direct effect on Lifeline subscribers' rates in many populous states with Lifeline programs, and instead results only in a larger percentage of total support being generated from federal sources?

3. **Schools/Libraries.** What methods should the Commission use for identifying high cost areas for purposes of providing a greater discount to schools and libraries located in high cost areas? What measures of economic advantage may be readily available to

identify economically disadvantaged non-public schools and economically disadvantaged libraries or, if none is readily available, what information could be required that would be minimally burdensome?

**4. Health Care.** What is the exact scope of services that should be included in the list of additional services "necessary for the provision of health care" in a state? In responding, commenters should address the telecommunications needs of rural health care providers and the most cost-effective ways to provide these services to rural areas. What would be the relative costs and benefits of supporting technologies and services that require bandwidth higher than 1.544 Mbps? How rapidly is local access to Internet Service Providers (ISPs) expanding in rural areas of the country, and what are the costs likely to be incurred in providing toll-free access to ISPs for health care providers in rural areas? What are the probable costs that would be incurred in eliminating distance-based charges and/or charges on traffic between Local Access and Transport Areas (LATAs) (interLATA traffic), where such charges are in excess of those paid by customers in the nearest urban areas of the state? Do insular areas experience a disparity in telecommunications rates between urbanized and non-urbanized areas? Commenters should supply information on the size of cities and other demographic information pertaining to insular areas that might be used to establish the urban rate and rural rate in each of those areas. What costs would be incurred in supporting upgrades to the public switched network necessary to provide services to rural health care providers? To what extent, and on what schedule, might ongoing network modernization, as is currently going forward under private initiative or according to state-sponsored modernization plans, make universal service support for such upgrades unnecessary? What are the probable costs, and the advantages and disadvantages, of supporting upgrades to public switched or backbone networks where such upgrades can be shown to be necessary to deliver eligible services to rural health care providers?

**5. Administration.** Should contributions for high cost and low-income support mechanisms be based on the intrastate and interstate revenues of carriers that provide interstate telecommunications services, based on the factors enumerated in the Recommended Decision? Should the intrastate nature of the services supported by the high cost and low-income programs have a bearing on the revenue base for assessing funds? Should contributing carriers' abilities to identify separately intrastate and interstate revenues in an evolving telecommunications market and carriers' incentives to shift revenues between jurisdictions to avoid contributions have a bearing on this question?

We ask parties to address the effects that the Joint Board's recommendations to the Commission are likely to have on small entities and what measures the Commission should undertake to avoid significant economic impact on small business entities as defined by Section 601(3) of the Regulatory Flexibility Act. These comments must be filed in accordance with the same filing deadlines as comments on the rest of the Recommended Decision, but they must have a separate and distinct heading designating them as responses to the regulatory flexibility analysis.

The Commission invites interested parties to file comments on the Joint Board's recommendations and on the Commission's legal authority to implement such recommendations. Copies of the Recommended Decision can be obtained from (1) the

International Transcription Service (ITS), Room 140, 2100 M Street, N.W., Washington, D.C. 20037 or (2) the FCC World Wide Web Home Page: <http://www.fcc.gov>.

Comments should be filed on or before **December 16, 1996** and Reply Comments on or before **January 10, 1997**. Interested parties must file an original and four copies of their comments with the Office of the Secretary, Federal Communications Commission, Room 222, 1919 M Street, N.W., Washington, D.C. 20554. Comments should reference CC Docket No. 96-45. Parties should send one copy of their comments to the Commission's copy contractor, International Transcription Service, Room 140, 2100 M Street, N.W., Washington, D.C. 20037. Parties must also serve copies of their comments on the individuals identified in the attached service list. After filing, comments will be available for public inspection during regular business hours in the FCC Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C. 20554.

Parties are also asked to submit comments on diskette. Diskette submissions would be in addition to and not a substitute for the formal filing requirements addressed above. Parties submitting diskettes should submit them to Sheryl Todd, Common Carrier Bureau, 2100 M Street, N.W., Room 8611, Washington, D.C. 20554. Such a submission should be on a 3.5 inch diskette in an IBM compatible format using WordPerfect 5.1 for Windows software in a "read only" mode. The diskette should be clearly labelled with the party's name, proceeding, and date of submission. The diskette should be accompanied by a cover letter.

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