

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

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In the Matter of)
)
Federal-State Joint Board)
on Universal Service)
_____)

CC Docket No. 96-45

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REPLY COMMENTS OF UNIVERSAL SERVICE ALLIANCE

Universal Service Alliance (hereafter "USA") is a coalition of diverse organizations and community leaders serving low income, elderly, disabled and rural consumers throughout California. In addition to the more than three dozen organizations and individuals identified as USA members in our opening comments, the American Foundation for the Blind and Presidents Club for Telecommunications Justice join in these reply comments.¹

¹ The American Foundation for the Blind is an organization dedicated to enabling persons who are blind or visually impaired to achieve equality of access and opportunity to all aspects of society including telecommunications technology and services. The Presidents Club for Telecommunications Justice consists of the presidents of organizations dedicated to ensuring equal access for disabled and elderly consumers. A list of the members of Presidents Club for Telecommunications Justice is attached to these comments.

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I. Preserving and Advancing Universal Service in High Cost Areas.

In our opening comments, we urged the Commission to provide a realistic level of funding rather than single-mindedly seeking to arrive at the lowest possible level of support. In particular, we stated that all carriers should be allowed a reasonable period of time to bring their operations into line with the forward looking, least cost, most efficient standard recommended by the Joint Board.

Opening comments filed by other parties reinforce our belief that a reasonable transition period is necessary to assure universal service in high cost areas. Most notably, commenters have pointed out that “non-rural” local exchange carriers currently serve substantial amounts of rural areas.² Like “rural carriers,” these carriers have practical limits in their ability to reconfigure their networks to meet the “least cost, most efficient” standard which has yet to be determined by this Commission. Fairness compels that all carriers which serve high cost areas should be allowed a reasonable transition period to bring their operations into line with the proxy cost model.

If a reasonable transition period is not allowed, these carriers would be required to fund the difference between their actual costs and the proxy cost either

² See, for example, Comments of SBC Communications, Inc. at pp. 29-31.

through implicit subsidies (which would violate section 254(d)'s requirement that the funding mechanism be "specific, predictable and sufficient") or shareholder funds (which would violate section 254(d)'s requirement that every carrier contribute "on an equitable and nondiscriminatory basis"). A reasonable transition period would avoid these unlawful results.

II. Promoting Access by Consumers With Disabilities and Encouraging Deployment of Advanced Telecommunications Services to all Americans.

We agree with the comments filed by a number of organizations which state that Joint Board has failed to give sufficient attention to (a) promoting access by disabled consumers and (b) encouraging deployment of advanced telecommunications services to all Americans.³ These important goals are specifically included in the Telecommunications Act of 1996 and endorsed by a

³ See, for example, Comments of National Association for the Deaf (regarding the Joint Board's failure to address disability-related issues), Alliance for Public Technology (condemning the Joint Board's failure to promote the deployment advanced telecommunications services to all Americans as required by Section 706), Comments of People For the American Way, et al. (regarding the Joint Board's failure to address issues relating to advanced services), Comments of National Urban League (expressing concern that the Joint Board's recommendations could severely disadvantage those who cannot afford advanced telecommunications applications), Comments of New York State Education Department (urging the Commission to provide greater emphasis on advanced services in connection with schools and libraries) and Comments of the Black Caucus of State Legislators (urging that underserved communities must be included in the evolving menu of advanced services eligible for expanding universal service considerations).

broad spectrum of public interest organizations in addition to those which have filed comments in this proceeding.⁴

For these reasons and those discussed in our opening comments, USA strongly believes that the Commission should be seeking specific ways within the context of section 254 to further Congress's intent that all persons have access to basic and advanced services. In particular, the Commission should provide universal service support to help make specialized customer premises equipment such as TTYs, telephone signaling devices, telebraile machines and volume control

⁴ For example, in November 1996, a coalition of public interest leaders issued a "Statement of Principles" on Telecommunications Policy at the National Association of Regulatory Utility Commissioners Annual Convention in San Francisco. (A copy of the Statement is attached to these comments.) Following a preamble, the Statement of Principles set forth the following goals.

All people in the United States must have affordable access to all advanced telecommunications services available in the competitive marketplace. This means:

- 1. An advanced infrastructure that reaches to every person who lives in the United States, regardless of whether they live in rural or urban settings. Universal availability of high capacity, two-way communications network capable of enabling users to originate and receive affordable, accessible and useable high quality, voice, data, graphics and other types of telecommunications services.**
- 2. Universal availability of advanced services, education and training that empowers everyone -- regardless of age, disability or other particular status -- who wishes to use the new and emerging telecommunications services both as end users and producers of services and information. ...**

Statement of Principles at p. 2.

telephones accessible and affordable to consumers with disabilities *in all states.*⁵

Because of the length of time it takes to make TTY and relay service calls, the Commission should provide universal service support for toll charges associated with such use. Finally, the Commission should provide universal service support for specialized equipment and additional services when needed by schools and libraries to serve children with disabilities. For example, schools for deaf and hearing-impaired students will have special usage and service needs to accommodate those disabilities. (They, for instance, will require greater usage when accessing service or greater bandwidth to accommodate signing.) In light of Congress's intent to promote access by persons with disabilities, the Commission should ensure that the discounts address these needs and such schools receive high priority in receiving discounts under section 254. The Commission should adopt similar measures for libraries which provide special telecommunications-related services for children with disabilities.

Similarly, we urge the Commission to build upon the Joint Board's recommendations regarding discounts for schools and libraries. The Commission should encourage schools and libraries to involve the broader community in this

⁵ **The National Association of the Deaf has stated that while a few states have limited distribution programs for specialized equipment, more than half the states do not have any equipment distribution program at all.**

process. Schools and libraries should have some means of consulting the community before deciding which supported services to deploy.

More importantly, the Commission should encourage these institutions to develop innovative ways of using the supported services to bridge the gap which often separates the school or library from its surrounding community. For example, in addition to Internet research and E-Mail oriented towards students and teachers, couldn't the same supported services be deployed to allow for greater communication between working parents and classroom teachers, for homework assistance and other ways which would bring the school and home environments closer together?

To encourage such efforts, the Commission should require that schools and libraries (1) have a mechanism for involving the broader community in planning which supported services to purchase and (2) deploy those services in ways which integrate the broader community. Alternatively, the Commission should create incentives to encourage these results. These incentives could include setting aside a small portion of the fund for projects which emphasize community involvement, larger discounts, a higher priority on reaching the trigger, and/or expedited processing for such projects. In view of the added cost of supporting internal connections, the Commission could require that institutions seeking such support

emphasize broad community involvement. USA further supports the Alliance for Public Technology's request that the Commission designate a portion of the intrastate portion of the universal service fund to promote the development of state pilot projects to establish community structures to aggregate demand for advanced telecommunications services.⁶

Encouraging community involvement as described above are but some of the ways that, *within the context of section 254*, the Commission could "encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms)" as required by section 706. Broader community involvement as described above would also further the principle that "Access to advanced telecommunications and information services should be provided in all regions of the country." Section 254(b)(2).

Conclusion

For these reasons and those set forth in our opening comments, USA respectfully requests that this Commission:

- (1) Establish a realistic funding level to support high cost areas;**

⁶ Comments of the Alliance for Public Technology at p. 2.

- (2) Provide a reasonable transition period for all carriers to adjust to “least-cost, most efficient” standard in the proxy cost model;**
- (3) Provide universal service support**
- (a) for distribution of specialized customer premises equipment;**
 - (b) to mitigate the cost of unavoidably high toll usage associated with TTY and relay service and**
 - (c) to ensure that special equipment, services and usage needed by schools and libraries to serve disabled children are affordable and these needs are given priority under the section 254 discount program.**
- (4) Consider section 706 in developing rules for universal service;**
- (5) Encourage schools and libraries to involve the broader community in planning and deploying services under the discount program;**
- (6) Clarify that states may elect to use either self-certification or income verification in determining the eligibility for Lifeline, Linkup and other low income programs and**
- (7) Provide a reliable mechanism by which carriers may recover the cost of contributing to the new universal service fund.**

Date: January 9, 1997

Respectfully submitted,

By Jacquelyn Brand

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**1996
Consumer
Summit**

Press Release

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Connect Missouri
Douglas Policy Institute
Massachusetts Assistive
Technology Partnership
National Council for Technology
in Education and Training
National Council of La Raza
National Urban League
Universal Service Alliance
World Institute on Disability**

November 18, 1996

STATEMENT OF PRINCIPLES

Preamble

This is an era in which access to telecommunications and technology is increasingly a prerequisite to education, employment, training, commercial activity, health care, community building, civic participation and other ways that people are productive in society. With the advent of new, communications technologies -- with the capability to transform and enhance the life of everyone while simultaneously widening the gap between society's haves and have-nots -- the universal availability and use of advanced telecommunication services is essential even while our telecommunications regulatory scheme is being dismantled and reassembled. Virtually all the people of the United States participated in the build-out of the existing telecommunications infrastructure, with its the capability to reach all the households and businesses in our country. It is essential that this infrastructure be protected, maintained and enhanced as the primary vehicle for delivering universal access to information technologies and advanced services.

The rights of universal access to free speech and important information are as essential as the right to vote, if our democracy's people are to make informed decisions that advance their own development as responsible members of the society, advance the well-being of their families, advance the quality of life in their communities, build and strengthen communities, and advance the justice, liberty and prosperity of all of the society. Thus, we urge that all decisions relative to the implementation of new telecommunication laws be governed by the following goals and principles:

1996 Consumer Summit

Press Release

Goals

Participants

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American Foundation for the Blind
Connect Missouri
Douglas Policy Institute
Massachusetts Assistive
Technology Partnership
National Council for Technology
in Education and Training
National Council of La Raza
National Urban League
Universal Service Alliance
World Institute on Disability

All people in the United States must have affordable access to all advanced telecommunications services available in the competitive marketplace. This means:

1. An advanced infrastructure that reaches to every person who lives in the United States, regardless of whether they live in rural or urban settings. Universal availability of a high capacity, two-way communications network capable of enabling users to originate and receive affordable, accessible and useable, high quality, voice, data, graphics and other types of telecommunication services.
2. Universal availability of advanced services, education and training that empower everyone -- regardless of age, disability or other particular status -- who wishes to use the new and emerging telecommunications services both as end users and producers of services and information. Universal access involves not only the wiring of houses or communities to the larger network of the NII, it also includes the affordability of equipment (computer, modems, etc.) that people will use to access information; affordability of the monthly rates; an individual's or organization's degree of media literacy; the availability of training; and most importantly, an understanding of information age applications, whether it is for education, community and economic development or their own personal interest.
3. Universal responsibility for those with the means to pay for such an advanced infrastructure and system, including the share of the cost for those who cannot afford such access.

Principles:

1. "All people in the United States" means every person regardless of income, race, disability, ethnicity, age, sex, religion, geographic

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location, sexual orientation or marital status. The new communications and information will define whether one has the opportunity to become an independent and productive member of society.

2. Old concepts of "essential" or "basic" telephone service are inadequate to the future. The idea that voice-grade analog service is sufficient for a minimum package of services today or in the future is short sighted and could effectively create a world of information haves and have nots. For example, many deaf people use American Sign Language as their primary language; effective "basic" service should include video conferencing for them.

3. The obligation to pay for the new networks must fall on all individuals and industry. All people with the means to pay should contribute their share to the maintenance and enhancement of an advanced telecommunications infrastructure.

4. The telecommunications infrastructure must be adequately supported, maintained and upgraded. All companies that use it to make profit should contribute adequately towards its preservation in a robust state.

5. Communities that stand to benefit from Universal Service need to be regarded by the private sector as new potential markets, rather than burdens on the ratepayer or taxpayer. Community and economic development opportunities should be targeted towards these communities, specifically for the development of content that is rich and relevant to underserved constituencies.

6. Regulatory regimes should cultivate incentives that encourage those who own or construct networks to roll out new telecommunications technologies to all parts of their networks in a form that is usable by all people who live in the United States.

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7. The ultimate objective is to have affordable access and service in every American household. It is imperative that schools, libraries and community based non-profit organizations operating in the public interest be provided incentives, relief or supports, to the extent they are needed, to permit them to provide access and training to advanced telecommunication technologies and help insure that everyone can participate on the network.

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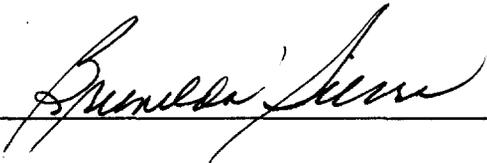
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Certificate of Service

Case: In the Matter of Federal State Joint Board on Universal Service (CC Docket No. 96-45).

I, BRUNILDA SIERRA hereby certify that I have upon this day served a copy of the attached *Reply Comments of Universal Service Alliance on Recommended Decision by the Federal State Joint Board* by mailing a copy via first class mail upon all persons and entities on the service list for the above proceeding. (A list of the names and of the persons and entities served is attached to the original certificate filed with the Commission.)

Dated at San Francisco, California on January 10, 1997.



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CC Docket No. 96-45**

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