

industry. But most of all, Mr. Hundt, get the FCC's money-grubbing hand out of my pocket and stop giving the phone companies the opportunity to dig deeper into it, while blaming the FCC.

You can rest assured that letters to my elected representatives have already been put in the mail to express my views in regard to these issues. I would like to get a response from you to find out why the FCC seems to be in bed with the phone companies, and why your agency feels it has a right to charge me to make sure there is a subsidized phone in every low income and God-forsaken corner of these United States.

Sincerely,

A handwritten signature in black ink that reads "Michael E. Peck". The signature is written in a cursive, slightly slanted style.

Michael E. Peck



Federal Communications Commission  
Washington, D.C. 20554

96-45

AUG 14 1998

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AUG 17 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. William C. Bradshaw  
P. O. Box 1288  
Oakland, CA 94604

Dear Mr. Bradshaw:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

Long distance companies have been indirectly bearing the costs of universal service for many years, but have only recently been assessing these costs through specific line items on customers' bills. I therefore urge you to look at the bottom line on your phone bills to determine the impact on your rates. Average long distance rates have continued to decrease. Thus, the appearance of a separate line item attributed to universal service does not necessarily reflect an increase in your overall cost of phone service.

On May 7, 1997, the Commission adopted an Order to implement the Federal-State Joint Board's recommendations on universal service as required by the Telecommunications Act of 1996 (1996 Act). The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including low income consumers and those located in high cost, rural, and insular areas. Universal service support for carriers serving high cost areas and for low income consumers has been provided for decades. In the 1996 Act, Congress expanded universal service goals to ensure the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are enjoyed in urban communities.

In the 1996 Act, Congress required all telecommunications carriers that provide interstate telecommunications services to contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all such telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, requires such carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent

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The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

Your letter has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest and views on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa S. Gelb", is written over a faint, illegible typed name.

Lisa S. Gelb  
Chief  
Accounting Policy Division  
Common Carrier Bureau



4,80074

OFFICE OF

JUN 15 5 34 PM '98

RECEIVED

P. O. Box 1288  
Oakland, CA 94604

11 June 1998

**PERSONAL FOR**

**Mr. William E. Kennard, Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554**

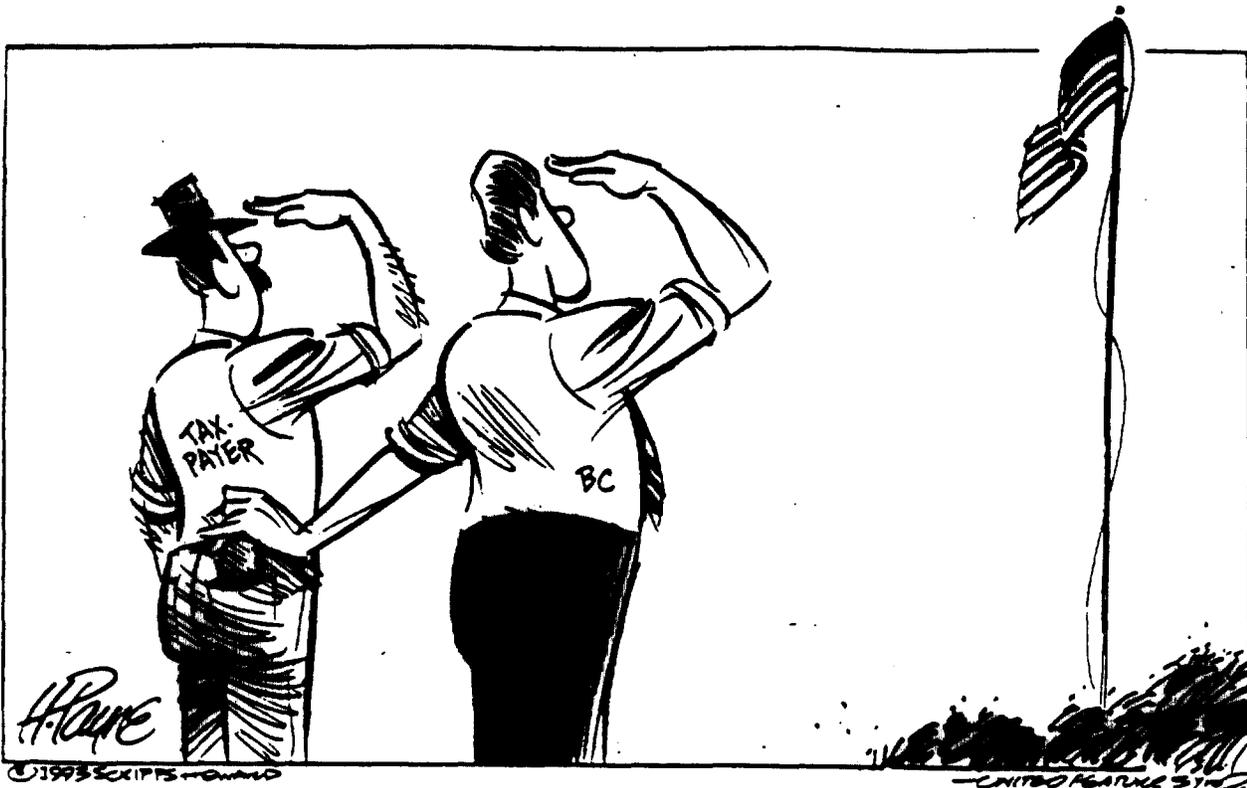
**Dear Mr. Chairman:**

**The attachments indicate that, to fulfill a political need, additional taxes are being imposed on the taxpayers of this country. Presumably, it was hoped that the public wouldn't be aware of this sneaky little Clintonic Scheme. I find it appalling that Co-President Bill Clinton and presidential aspirant Al Gore are willing to promote such a scheme.**

**Many schools are physically falling apart --- students don't have books --- yet Clinton and Gore want to "wire them up. This is sickening! Does this make any sense to you?**

**Someone (Thomas Sowell) much smarter than Clinton and Gore once remarked, "Policies are judged by heir consequences, but crusades are judged by how good they make the crusaders feel." Part of this stems from the fact that Clinton and Gore are wedded to the dollars of the unionized teachers and the wasteful Department of Education (Evaporation?).**

**The attachment says that "Pac Bell to boost Internet access." The flip side tells how "consumer-oriented they really are." Aren't they basically a government-subsidized company?**



## PATRIOTISM

In reading one of the attachments, I was surprised to hear of the FCC's Schools and Library Corporation. Given the intense desire to employ friends, etc., perhaps that group exists solely to keep bureaucrats employed. Is this correct?

Every one of my phone bills carries this charge "Charges for Network Access for Interstate Calling, Imposed by Federal Communications Commission.....\$ 3.50." Is this charge still necessary or is it merely a government-instituted subsidy? We pay it whether we engage in interstate calling or not. How long has it been going on? Is it intended to go on forever? Does anyone ever question the validity (necessity) of its continued existence?

These questions are being asked because, quite honestly, most people back in the District don't really care about us.

Your comments and explanations would be appreciated. Thank you, Mr. Kennard.

Sincerely,

*William C. Bradshaw*  
William C. Bradshaw

Copies to:

Co-President William Jefferson Clinton  
Senator Dianne Feinstein  
Mr. R. E. Allen, Chairman, AT&T  
Selected Others

Vice President Al Gore, Jr.  
Senator Barbara Boxer  
Mr. Gerald H. Taylor, CEO, MCI

## **Program planned to take Internet to poor schools**



**Gore**

Vice President Al Gore announced a new initiative Tuesday to take the Internet and online knowledge to inner-city and rural schools, seeking to close a "digital divide" between rich and poor students. Gore said the program would encourage online tutoring of students by volunteer "mentors" in government and the private sector. The National Science Foundation and Department of Education will sponsor a workshop to get companies, unions and other groups in-

involved in mentoring and a new Web site was established to match students with online experts at <http://www.vrd.org>.

The small-scale initiative follows the administration's vast commitment, already well under way, to connect every classroom and library to the Internet by the year 2000 through volunteer efforts and subsidies from the federal government. A study by researchers at Vanderbilt University released this month found vast differences in Internet access between white and African-American students. Earlier surveys have shown that classrooms in poor school districts are much less likely to have Internet connections than in wealthier districts. [N710]

## **FCC to revamp program to wire schools, libraries**

Bowing to congressional pressure, the Federal Communications Commission said Friday it will revamp its \$2 billion a year program to wire schools and libraries — but warned that the phone fees financing the program will increase unless funding requests are slashed. The agency said it would shut down the Schools and Libraries Corp., the much-criticized non-profit company it created last year to ad-

minister the program, and shift its responsibilities to another oversight authority. Officials of the Schools and Libraries Corp. last week formally requested the FCC to provide \$2.02 billion for networking and telecommunications equipment for schools and libraries. Critics said the request was inflated by ineligible items like teacher training, color laser printers, security systems and pay cable services. But the FCC says it doesn't have enough money to pay for even a scaled-down version of the request.

### **BUSINESS BRIEFS**

## **AT&T, MCI to charge everyone a Net fee**

**SAN FRANCISCO** AT&T Corp. and MCI Communications Corp. will begin

charging residential customers a new fee next month to help pay for the cost of hooking up U.S. schools, libraries and rural health care facilities to the Internet

and to subsidize the cost of keeping local phone service affordable.

The new so-called universal service charge, a 5 percent surcharge on all out-of-state calls, will appear as a line item

on customers' bills for June, said AT&T spokesman Wayne Jackson. MCI hasn't yet determined how much the new fee will be but plans to decide soon, spokeswoman Claire Hassett said Thursday.

Sprint said it hasn't yet decided whether to charge the fee. (Bloomberg)

**ON ECONOMICS** Jonathan Marshall

# New Tax Tucked Away in Phone Bills

**E**very year as April 15 rolls around, millions of Americans gripe about taxes when they send in their 1040s.

This year, nearly everyone will start paying a new federal tax when they mail in their phone bills. But most won't even know they're paying it.

The tax falls on all phone companies to subsidize telecommunications and Internet access for schools, libraries and rural health providers.

The cause may be worthy, but economists say the government is going about raising the money — \$2.65 billion a year — exactly the wrong way. Funding the program by raising the price of phone service harms consumers far more than using general income taxes.

The government doesn't call the new tax a tax, but that's what it is. The Federal Communications Commission was directed by Congress in the 1996 Telecommunications Act to help out schools, libraries and rural health facilities. It decided last year to impose charges on all phone companies — local, long-distance and wireless — based on their revenues.

The fees started going into effect this year and will amount to about \$25 annually per household.

Some carriers haven't yet passed the tax on to their customers, but it's only a matter of time before they do.

"We are still deciding how we are going to recover the costs associated with this program," said Mark Siegel, a spokesman for AT&T. "But in a highly competi-

tive industry, we, and I presume our competitors, have to recover the costs."

Other carriers already have begun adding to their bills a special line item of 4.4 to 5.4 percent to cover the FCC exaction and related fees to support rural phone services.

Already, 40,000 schools, school districts and libraries have applied for money, including 2,800 from

California. They include relatively needy institutions, such as Ravenswood Elementary School District, which includes East Palo Alto, and well-heeled ones such as Branson School in Ross.

Schools get a discount on telecommunications hardware and services starting at 20 percent, rising with the percentage of students who come from relatively poor families. Rural institutions, whether they be in Aspen or Appalachia, get additional discounts.

The rules are sometimes arcane. Schools and libraries can apply for subsidies on Internet service, wireless phones and network routers, but not for training, software, modems or fax machines. Public and private schools and libraries are eligible, but not private vocational schools or academic libraries.

Schools and libraries have until April 15 to apply for subsidies, after getting competitive bids from telecommunications providers. The money should start flowing by mid- to late May.

The FCC is eager to publicize the potential benefits of the subsidies, but not its responsibility for the fees. In a fact sheet for inquiring consumers, the agency says, "Remember — the FCC does not require your long-distance company to place these charges on your bill. Let the company know if you believe these charges are inappropriate or are too high."

Many analysts think that the FCC's charges are both. Jerry Hausman, an economist at the Massachusetts Institute of Technology, estimates that the tax will cost the economy more than \$2.5 billion, in addition to the revenue it raises. In other words, the program throws away at least a dollar for every dollar it extracts from phone customers.

The program is so costly because much of it falls on long-distance and wireless services whose demand is highly sensitive to price. Raising their price through a tax will curb consump-

tion noticeably. The more a tax affects the level of consumption of a good or service, the more costly it is to the public.

A general income tax also takes resources from consumers but doesn't otherwise have much effect on where they spend their money. As a result, economists consider it much more "efficient" than most narrow excise taxes.

Hausman notes that economic theory, not to mention common sense, dictates that government should choose taxes that *minimize* the cost to the economy of raising revenue. "The FCC, to the contrary, chose the taxation method . . . which likely *maximizes* the cost to the economy," he said.

The FCC's chief economist, Michael Riordan, said Hausman exaggerates the impact of the new tax. For example, some of the tax may be absorbed by carriers and not passed on to consumers.

Riordan also notes, correctly, that the FCC took important steps last year to readjust phone rates so that existing subsidy programs will cost consumers much less money than in past years.

Finally, he has observed that most phone customers pay much bigger subsidies to keep rural rates artificially low. Many of these subsidies are hidden in state toll charges, outside the FCC's jurisdiction.

But other experts share Hausman's concern. The new telecommunications tax "is madness," said Robert Crandall of the Brookings Institution. "We shouldn't pay for anything that way: books, pencils, desks or highways. You want the most efficient way to raise revenues, whatever you spend them on."

Economists have voiced other objections to the tax as well. Dennis Zimmerman, an economist with the Congressional Research Service, said a narrow excise tax makes sense only when people paying the tax are those who benefit from the service. For example, it makes sense to pay for a new sports stadium with a surcharge on tickets.

should bear the burden of helping them.

Jonathan Marshall can be reached by e-mail at [www.sfgate.com](mailto:www.sfgate.com).

But schools and libraries have broad social benefits and should be supported from a general tax, he said. There's no reason that phone customers in particular

# Pac Bell to boost Internet access

## Agrees to expand its high-speed service, cut cost

BY JON HEALEY  
Mercury News Staff Writer

Pacific Bell plans a major expansion for high-speed Internet access service this summer, cutting the price and making it available to 5 million customers across the state, company officials said Wednesday.

The move came in response to pressure from a key state senator and high-tech industry officials, who argued that the demand for high-speed service was burgeoning and competition was growing. Pac Bell had already fallen behind at least one start-up company in the race to bring businesses low-cost Internet connections, and other competitors are quickly expanding.

What's unique about Pac Bell's new plan is how broadly and rapidly it hopes to spread the service, which uses digital technology to soup up ordinary copper phone lines. By mid-September, company officials said, it will make high-speed Internet access available to homes and businesses in about 200 communities.

Many of those homes and businesses are in areas already served by competitors, but there are some notable exceptions. These include Oakland, East Palo Alto and Compton — three areas whose low incomes have discouraged investments in technology.

Pac Bell's prices, however, are not likely to attract low-income families or casual Internet users. The prices run from \$89 a month for homes to \$339 a month for businesses, not including installation or equipment costs.

"Ninety dollars a month, that's the threshold of pain," said analyst Will Strauss of Forward Concepts in Phoenix. "All the people who read Wired magazine are going to

buy. But they're going to have to get it to \$60 if they want the people who read PC Magazine."

Michael Powell, a product manager for the high-speed service, said the company was focusing first on telecommuters and small businesses, not the mass market of average consumers. "What we're bringing out today is what we believe is right for us at this time," he said, adding that he expected prices to drop over time.

The new service is based on a less expensive technology — asymmetric digital subscriber line, or ADSL — than some other approaches to high-speed, high-capacity networks. This approach moves data on copper lines at seven to 30 times the speed of the fastest conventional computer modem.

Pac Bell had been cautiously exploring the new technology, conducting a year-long test followed by a lengthy market trial in much of Silicon Valley. Jim Callaway, president of Pac Bell public affairs, said company officials agreed to step up the pace after state Sen. Steve Peace, D-El Cajon, brought them together with officials from Intel Corp. and other members of the California Manufacturers Association. Peace is chairman of the Senate Committee on Energy, Utilities and Communications, the panel with jurisdiction over phone companies.

### Public interest

Richard Hall, manager of public affairs for Intel, said the manufacturers convinced Pac Bell that the public was more interested in high-speed Internet access than Pac Bell had believed. Pac Bell officials, in turn, urged the manufacturers to support the company's efforts to end state regulation on its profits.

"We applauded what they did today, but we still believe they need to push the price points down" for home users, Hall said. Noting that SBC Communications, the Texas-based parent of Pac Bell, is new to California, he added, "This is an opportunity for them to demonstrate their commitment to California and their technological commitment to this state."

The expansion should start in June, company officials said, and should be finished by late August or September.

To be eligible for the service, users must be within about three miles of one of 87 Pac Bell offices in 63 cities. Pac Bell officials estimated that 60 percent of the 4.4 million

homes and 650,000 businesses served by those offices would be able to obtain the new service.

The Bay Area communities to be served include parts of San Jose, Fremont, Hayward, Los Altos, Milpitas, Mountain View, Oakland, Palo Alto, Pleasanton, Redwood City, San Francisco, San Mateo, Santa Clara and Sunnyvale.

Pac Bell already offers ADSL service in many of those areas on a trial basis, but at higher prices. Residential service costs about \$160 per month and business service costs up to \$400.

### Other providers

Also providing digital subscriber line service in Silicon Valley are start-ups Covad Communications Co., NorthPoint Communications and Rhythms NetConnections Inc., as well as UUNet, a venerable Internet service provider.

Jim Southworth, director of advanced network services and technologies for Concentric Network, a Cupertino-based Internet service provider, said Pac Bell's effort would not expand greatly the availability of high-speed services in most parts of California. "You've got probably that same level of deployment coming from most everybody else that's in the game," he said.

On the other hand, Pac Bell is venturing into several communities that its business-oriented competitors have avoided. That strategy drew praise from advocates for several public-interest and non-profit groups.

Barbara O'Connor, founder of the Alliance for Public Technology, said the high-speed service was expanding just as subsidies were starting to flow to schools, libraries and non-profit groups for Internet connections. The combination should help groups at the grass-roots level develop technologies aimed at local needs, O'Connor said.

Still, Pac Bell's prices are far higher than those charged for the high-speed Internet service on some cable TV systems, which costs less than \$50 a month. The problem there is that few cable systems are able to offer the service.

Andrew Johnson, a spokesman for Tele-Communications Inc., said Pac Bell probably will beat TCI's cable-modem service into numerous Bay Area communities. But he predicted that TCI's service will prevail in head-to-head competition because it is cheaper and faster.



Federal Communications Commission  
Washington, D.C. 20554

96-45

AUG 14 1998

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Mr. Thomas J. Metzger  
11 Blue Bird Drive  
Effingham, IL 62401-5033

DOCKET FILE COPY ORIGINAL

AUG 17 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Mr. Metzger:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

Long distance companies have been indirectly bearing the costs of universal service for many years, but have only recently been assessing these costs through specific line items on customers' bills. I therefore urge you to look at the bottom line on your phone bills to determine the impact on your rates. Average long distance rates have continued to decrease. Thus, the appearance of a separate line item attributed to universal service does not necessarily reflect an increase in your overall cost of phone service.

On May 7, 1997, the Commission adopted an Order to implement the Federal-State Joint Board's recommendations on universal service as required by the Telecommunications Act of 1996 (1996 Act). The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including low income consumers and those located in high cost, rural, and insular areas. Universal service support for carriers serving high cost areas and for low income consumers has been provided for decades. In the 1996 Act, Congress expanded universal service goals to ensure the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are enjoyed in urban communities.

In the 1996 Act, Congress required all telecommunications carriers that provide interstate telecommunications services to contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all such telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, requires such carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent

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The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

Your letter has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest and views on these important issues.

Sincerely,



Lisa S. Gelb  
Chief  
Accounting Policy Division  
Common Carrier Bureau

971464

Thomas J. Metzger  
11 Blue Bird Drive  
Eppfingham, IL 62401-3033

OFFICE

JUN 9 4 46 PM '98

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June 6, 1998

Federal Communications Commission  
Chairman  
1919 M Street, NW  
Washington, DC 20554

Mr. Chairman:

This letter is to express my vehement objection to the recent telephone tax imposed to support subsidized telephone and Internet hookups. Since 80 % of all library's are already hooked up, what in the world will happen to this vast amount of "new tax" monies ? (Big government gets bigger) It seems your answer to any "desired whim" is to raise, or institute a new, tax. I wish to tell you that you have already exceeded reasonable taxes, especially on my telephone service. We still have the renamed "luxury tax" placed on telephone service during WW II.

**Enough is enough.**

You totally screwed up the breakup of the Bell System which has been directly responsible for my phone service (both local & LD) costs to drastically increase in these past 14 years; my service has not increased, plus the related confusion is totally unrealistic and unnecessary.

**Big is not necessarily bad unless it's government.**

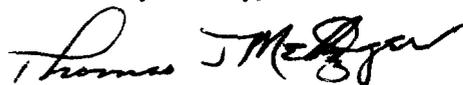
I understand what you are trying to do; institute competition within the telephone industry. A far better way to do this would have been to stay out of the way and let a truly free market grow unobstructed by government regulations. However, now that the world knows how seriously you have failed, please stop, undo what you can, and take a long vacation so more damage won't be done.

**Please rescind this very unjust and burdensome tax.**

I understand that you want this new tax to support the Internet wiring of various public buildings. Why does the Federal Government, who should be responsible for national defense and other national issues, feel it should be responsible to wire my local library and schools for Internet service ? I'm sure it would be 1000 times less costly to the people if each local government body would do this; if this is indeed what they wish..

**I am tired of supporting all your "good causes".**

Very sincerely,



Letters fcc.068  
cc: President Clinton  
cc: various members of Congress



Federal Communications Commission  
Washington, D.C. 20554

96-45

AUG 14 1998

Mr. Harvey Weisenberg  
Member of Assembly  
20th District  
20 W. Park Avenue  
Long Beach, NY 11561

DOCKET FILE COPY ORIGINAL

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AUG 17 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Mr. Weisenberg:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

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Sincerely,



Lisa S. Gelb  
Chief  
Accounting Policy Division  
Common Carrier Bureau



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JUN 10 5 00 PM '98

HARVEY WEISENBERG  
29th District

20 W. Park Avenue  
Long Beach, New York 11561  
516-431-0500

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIRMAN  
Legislative Commission on  
Skills Development and  
Vocational Education

CHAIRMAN  
Subcommittee on  
Long Island Barrier Beaches

COMMITTEES  
Banks  
Correction  
Education  
Environmental Conservation  
Transportation

June 1, 1998

Mr. William E. Kennard, Chairman  
Federal Communications Commission  
Northwest Room 814  
1919 M. Street  
Washington DC 20554

Dear Mr. Kennard,

I am writing to express my strong opposition to AT&T Corporation's proposal to begin charging a fee to its residential long-distance customers as a means of amassing money to fund programs covered under the 1996 telecom reform law.

I believe these fees are unwarranted and place an unnecessary burden on consumers. It is my understanding that the MCI Communications Corporation is planning a fee on residential customers resembling that of AT&T's. This intended fee is estimated to be as much as 5.9% of interstate and international long-distance charges. Once again, though I am aware of the rationale behind contracting these charges, I feel that they are extreme.

I appreciate your attention to this matter and look forward to an early and favorable reply.

Sincerely,

Harvey Weisenberg  
Member of Assembly



Federal Communications Commission  
Washington, D.C. 20554

96-45

AUG 14 1998

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AUG 17 1998

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Rita E. Bauschard  
915 Douglas Drive  
Erie, PA 16505-4113

Dear Ms. Bauschard:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

Long distance companies have been indirectly bearing the costs of universal service for many years, but have only recently been assessing these costs through specific line items on customers' bills. I therefore urge you to look at the bottom line on your phone bills to determine the impact on your rates. Average long distance rates have continued to decrease. Thus, the appearance of a separate line item attributed to universal service does not necessarily reflect an increase in your overall cost of phone service.

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Sincerely,



Lisa S. Gelb  
Chief  
Accounting Policy Division  
Common Carrier Bureau

980094

*Rita E. Bausehard*

June 16, 1998

915 Douglas Drive  
Erie, PA 16505-4113

Federal Communications Commission  
1919 M Street, N.W  
Washington, DC 20554

Attention: Chairman

cc: President William J. Clinton  
Governor Thomas Ridge - PA  
GTE Billing Dept. St. Petersburg, FL  
Senator Arlen Specter - PA  
Representative Phil English - PA

Greetings: (The most polite salutation I can use at the moment!)

This communication is to **LOUDLY PROTEST** your recent action in placing a 60¢ charge on my telephone bill without my knowledge and permission.

I guess I need not ask where you get the right to do that - since all the citizens' rights seem to be disappearing, especially those of senior citizens. I realize it may be difficult for any of you to imagine how that amount of money could hurt anyone... "How could they possibly miss it?" Let me hasten to explain that this writer allows herself the pleasure of owning a computer, having worked for the money to do so, which allows her to be in touch with her children who are not nearby for a reasonable amount of dollars, and with the many other friends met online. That, and planting flowers in the Spring, is the extent of my "entertainment" spending for the year. I don't own an automobile (can't afford to), but I do have an extra phone line (at least at present), so that means the above protested charge now amounts to \$1.20 per month. I do not splurge in call waiting or secretarial service or Caller I.D. Yet, now all of us seniors, the ones on limited income, of course, are being "nickel and dimed to death", and without our even saying, "OK".

The communique on GTE's statement reads as follows: "The Long Distance Universal Service Fund Fee listed on your bill is a result of new rules "developed" by the Federal Communications Commission in support of universal service for schools, libraries, rural healthcare and low income families."

Having never heard about this on television news nor on radio news programs, I am at a loss to understand first of all, "universal". Now, my dictionary lists too many definitions of this word to include here, but the most common and accepted use of the word is pertaining to the

“universe”, or, affecting or including the whole of *something specified*. Though I have not been informed of the “something specified”, I have taken it to mean either or both of the above. So when did I authorize *you* to take another \$1.20 per month out of my meager income to pay for:

Universal (world wide ?) Service for schools?

When I already pay school taxes.

For libraries?

When my school taxes cover my library.

For rural healthcare? (Whatever *that* means?)

When I need healthcare, myself? And I'm not “Rural”.

For low income families?

When I am ONE OF THOSE!

You may not all feel you have to answer to *me*, but you *will* answer to Almighty God one day, whether you believe that or not. There is a scripture that prophesies that the day will come when *men will faint from fear...* and it will include (but not be limited to) those poor seniors who know not the Lord Jesus Christ and put their trust in him. And just because I do, my faith in Him does not forbid me from writing this letter of complaint to the *servants* my taxes pay - sometimes with double taxation and taxation without representation!

However, I must lean on the words of 2 Timothy 1:7 - For God hath not given us the spirit of **fear**; but of power, and of love, and of a sound mind.

**An Ambassador**, for Christ (2 Cor. 5:20)

P. S. I just heard before mailing this that this topic *was* discussed on the Rush Limbaugh show in recent weeks. I must have out planting flowers then!

*Rita E. Bauschard*





Federal Communications Commission  
Washington, D.C. 20554

AUG 14 1998

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96-45

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AUG 17 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. Charles E. Warburton  
915 Denston Drive  
Ambler, PA 19002

Dear Mr. Warburton:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

Long distance companies have been indirectly bearing the costs of universal service for many years, but have only recently been assessing these costs through specific line items on customers' bills. I therefore urge you to look at the bottom line on your phone bills to determine the impact on your rates. Average long distance rates have continued to decrease. Thus, the appearance of a separate line item attributed to universal service does not necessarily reflect an increase in your overall cost of phone service.

On May 7, 1997, the Commission adopted an Order to implement the Federal-State Joint Board's recommendations on universal service as required by the Telecommunications Act of 1996 (1996 Act). The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including low income consumers and those located in high cost, rural, and insular areas. Universal service support for carriers serving high cost areas and for low income consumers has been provided for decades. In the 1996 Act, Congress expanded universal service goals to ensure the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are enjoyed in urban communities.

In the 1996 Act, Congress required all telecommunications carriers that provide interstate telecommunications services to contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all such telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, requires such carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent

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they recover **their** contributions. Carriers, however, may not mislead customers as to how they recover **contributions** and may only recover an equitable share from any particular customer.

The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

Your letter has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest and views on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa S. Gelb", written in a cursive style.

**Lisa S. Gelb**  
**Chief**  
**Accounting Policy Division**  
**Common Carrier Bureau**

915 Denston Dr.  
Ambler, Pa 19002  
June 12, 1998

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Mr. William Kennard, Chairman  
Federal Communication Commission  
Washington, DC

Dear Mr Kennard:

I wish to protest the imposition of a *tax* on long-distance telephone calls to finance computer use in schools and other uses. I am opposed to more taxes. If this is a good use, the money must be taken from somewhere else in the budget. Also this *tax* was not initiated in the House of Representatives as required.

The FCC's claim that the long-distance companies should eat this *tax* themselves is either naïve or disingenuous. Businesses always pass through taxes.

As for rate reductions that the companies should give us, I have been paying the same rate for a few years.

Sincerely,



Charles E. Warburton



Federal Communications Commission  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. Vincent P.A. Benedict  
117 Glenn Road  
Ardmore, PA 19003

Dear Mr. Benedict:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

Long distance companies have been indirectly bearing the costs of universal service for many years, but have only recently been assessing these costs through specific line items on customers' bills. I therefore urge you to look at the bottom line on your phone bills to determine the impact on your rates. Average long distance rates have continued to decrease. Thus, the appearance of a separate line item attributed to universal service does not necessarily reflect an increase in your overall cost of phone service.

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Sincerely,

A handwritten signature in black ink, appearing to read "Lisa S. Gelb", is written over a light blue horizontal line.

Lisa S. Gelb  
Chief  
Accounting Policy Division  
Common Carrier Bureau

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ATTORNEY GENERAL

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**Vincent P.A. Benedict**  
**117 Glenn Road**  
**Ardmore, Pennsylvania 19003**

June 12, 1998

Vice President Al Gore  
Senator Arlen Specter  
Senator Rick Santorum  
Congressman Jon Fox  
Chairman, Federal Communications Commission  
President, AT&T

I only recently found out that all of you have conspired to surreptitiously hang a 5% tax on the long distance portion of every American citizen's telephone bill. I find your actions to be outrageous, unconstitutional, and un-American.

I will NOT pay that tax. I will subtract the tax from my telephone bill each and every month until such time as Congress—the only authority that can increase my taxes—has the courage to face up to its responsibility. We Americans fought a revolutionary war over just such a tax. Perhaps another revolution is in order.

Mr. Gore, your liberal schemes make me want to vomit.

Senators Specter and Santorum, you have abrogated your responsibility to the citizens of Pennsylvania.

Congressman Fox, thank you for reminding me why I didn't vote for you in the primary and will not vote for you in November.

Mr. FCC Chairman, you can go to hell.

Mr. AT&T President, I use your service for 100% of my long distance calls. Why haven't you raised bloody hell about this unconstitutional tax? However, I'm glad someone strong-armed you and your fellow long-distance providers into showing the 5% tax a separate item on our bills.

**NO TAXATION WITHOUT REPRESENTATION! OR IS THE CONSTITUTION DEAD?**





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Federal Communications Commission  
Washington, D.C. 20554

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AUG 17 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Donald & Barbara Brown  
902 Truempenny Road  
Media, PA 19063

Dear Mr. & Mrs. Brown:

Thank you for your letter to Chairman William E. Kennard regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. Chairman Kennard has asked me to respond to your inquiry.

Long distance companies have been indirectly bearing the costs of universal service for many years, but have only recently been assessing these costs through specific line items on customers' bills. I therefore urge you to look at the bottom line on your phone bills to determine the impact on your rates. Average long distance rates have continued to decrease. Thus, the appearance of a separate line item attributed to universal service does not necessarily reflect an increase in your overall cost of phone service.

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