

EX PARTE OR LATE FILED



Federal Communications Commission
Washington, D.C. 20554

RECEIVED

OCT 30 1998

NOV 9 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. Edward Ovca, Jr.
1194E 300 North Road
Nokomis, IL 62075

Dear Mr. Ovca:

Thank you for your letter to Chairman William E. Kennard regarding the implementation of the Telecommunications Act of 1996 and its impact on consumers' cellular telephone service bills. Chairman Kennard has asked me to respond to your inquiry.

On May 7, 1997, the Commission, as required by the Telecommunications Act of 1996 (1996 Act), adopted a first Report and Order to implement the Federal-State Joint Board's recommendations on universal service. 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 those located in high cost, rural, and insular areas and low income consumers. In addition, these mechanisms implement Congress's mandate 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 available 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 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.

No. of Copies rec'd _____
List ABCDE _____

2

Mr. Edward Ovca, Jr.

Page 2

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 cursive script, appearing to read "Lisa S. Gelb".

Lisa S. Gelb
Chief
Accounting Policy Division
Common Carrier Bureau