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CC DKT. 96-45

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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Federal Communications Commission
Washington, D.C. 20554

JAN 12 1999

The Honorable Owen B. Pickett
Member, U.S. House of Representatives
2710 Virginia Beach Boulevard
Virginia Beach, VA 23452

Dear Congressman Pickett:

Thank you for your letter on behalf of your constituent, Ms. Kaye R. Davis, regarding charges that have been added by her carrier to her telephone bills to recover its contributions to the universal service support mechanisms.

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

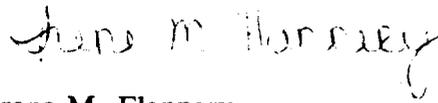
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they recover their contributions. Carriers, however, may not mislead customers as to how they recover contributions and may only recover an equitable share from any particular customer. The franchise fee on your cable bill does not contribute to universal service. Rather, this is assessed by your local government.

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,



Irene M. Flannery
Acting Chief, Accounting Policy Division
Common Carrier Bureau

OWEN PICKETT
VIRGINIA,
2ND DISTRICT

COMMITTEE ON NATIONAL SECURITY

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COMMITTEE ON RESOURCES

SUBCOMMITTEE ON WATER AND POWER



**HOUSE OF REPRESENTATIVES
OF THE UNITED STATES**
WASHINGTON, D.C. 20515

October 16, 1998

*cc
96-45*

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7935

Oct 21 11 40 AM '98

Ms. Karen Kornbluh
Office of Legislative Affairs
Federal Communications Commission
1919 M Street, NW, Rm 808
Washington, D.C. 20554

Dear Ms. Kornbluh:

Enclosed is correspondence from a constituent, Ms. Kaye R. Davis.

Ms. Davis has asked for my assistance regarding a problem she is experiencing with the Federal Communications Commission.

I would appreciate your looking into this matter and responding to me at 2710 Virginia Beach Boulevard, Virginia Beach, Virginia 23452.

With kindest regards, I am

Sincerely yours,

Owen Pickett
Member of Congress

OP/lw

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October 16, 1998



Owen Pickett, Congressman
2710 Virginia Beach Blvd.
Virginia Beach, VA 23452

RE: Universal Access Tax

Dear Congressman Pickett:

I need your help in removing a tax that I am charged five different ways per month for. I am charged on my cable bill as a Franchise fee. I am also charged on my home phone bill, my pager bill, my Internet bill and my cellular phone bill. These line items on our bills are each called by a different name to keep the public uninformed. I also understand that Al Gore pushed this tax through under the auspices of the Federal Communication Commission in an attempt to establish computer access in every home and school. I worked very hard to pay for my home computer and my monthly Internet access with no help from the Federal Government!

I believe this to be a clear case of taxation without representation. I, nor did any other American citizen, vote on this issue. I assure you I DO vote and so do my colleagues.

I appreciate your assistance on this matter. I am available at (757) 496-2133 during business hours and (757) 563-0235 in the evenings.

Respectfully,

A handwritten signature in black ink that reads "Kaye R. Davis". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kaye R. Davis, RN, CCM, CRRN
Senior Case Manager

xc: Virginia Pilot

Tidewater Health Care, Inc.

*Virginia Beach General Hospital Physician Services of Hampton Roads Tidewater Medical Group
At Home Care/Private Duty Services At Home Care Hospice Diagnostic Breast Center The Doctor Connection
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