

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

DEC 10 1999

DEC 8 1999

FCC MAIL ROOM

In the Matter of

Federal-State Joint Board
on Universal Service

CC Docket No. 96-45

COMMENTS OF SBC COMMUNICATIONS INC.

SBC Communications Inc., on its behalf and on behalf of its subsidiaries, (collectively referred to as "SBC") supports the expedient phase-out of the interim hold-harmless provision adopted by the Commission in its *Ninth Report and Order*, released on November 2, 1999 in the above-captioned docket (Order). While a transition is warranted, this parallel support structure can legitimately be eliminated within a three year period.

The Commission in its Order has sought through this hold-harmless provision to ensure that "no carrier [would] receive less support, on a per line basis, than it would have under the existing high-cost support mechanism."¹ Recognizing that this failsafe provision should be transitional in nature, the Joint Board, by a Public Notice issued on November 3, 1999,² solicited input on the schedules and procedures for phasing out or eliminating the interim hold-harmless provision.

It must be acknowledged that while the Commission's espoused purpose is to preserve the level of support received by a given carrier, this goal is not always achieved by the use of the

¹ Order, ¶ 78.

² *Federal-State Joint Board On Universal Service Seeks Comment On the Interim Hold-Harmless Provision of the Commission's High-Cost Support Mechanism*, CC Docket No. 96-45, FCC 99J-2, Released November 3, 1999.

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CC Docket No. 96-4
Comments of SBC Communications Inc.
December 1, 1999

current methodology.³ Clearly, the sooner a single support methodology can be applied to all non-rural carriers, without deviation, the better. The retention of the hold-harmless methodology, while well intended by the Commission, should be eliminated as soon as feasible. While SBC agrees that a transition is warranted, it is consistent with the Act's precepts to conclude this transition within the reasonable timeframe of three years of the Order. This phased-out transition properly balances the interim needs of the non-rural carriers with the Act's mandates.

In light of the foregoing arguments, SBC requests that the Federal-State Joint Board adopt a transitional period of three years for purposes of phasing out the interim hold-harmless provision.

Respectfully submitted,

SBC Communications Inc.

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December 1, 1999

³ For example, based on First Quarter 2000 estimates for high cost funding as represented on the FCC website, Southwestern Bell Telephone Company shall receive only \$3.2 million in support in comparison to the \$3.7 million it received in 1999.

CERTIFICATE OF SERVICE

On this 1st day of December 1999, I, Mary Ann Morris, hereby certify that the Comments of SBC Communications Inc. in CC Docket 96-45 have been served upon the parties listed in the Service List attached to the Comments of SBC Communications Inc.

/s/ Mary Ann Morris

December 1, 1999

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