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PUBLIC NOTICE



FEDERAL COMMUNICATIONS COMMISSION

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**COMMON CARRIER BUREAU SEEKS COMMENT ON REQUESTS
 TO REDEFINE "VOICE GRADE ACCESS" FOR PURPOSES
 OF FEDERAL UNIVERSAL SERVICE SUPPORT**

PLEADING CYCLE ESTABLISHED

CC Docket No. 96-45

Release Date: December 22, 1999

Comment Date: January 19, 2000

Reply Comment Date: February 4, 2000

In this Public Notice (*Notice*), we seek comment on requests made by certain state commissions and the Rural Utilities Service (RUS)¹ asking the Commission to redefine "voice grade access" in section 54.101 of the Commission's universal service rules.² The Commission requires that, in order to be eligible for universal service support, a carrier must offer, among other things, voice grade access to the public switched network. As originally adopted, section 54.101 specified that voice grade access should occur in a frequency range between

¹ See Petition for Reconsideration of the North Dakota Public Service Commission, Petition for Reconsideration of the South Dakota Public Utilities Commission, and Petition for Reconsideration of the Washington Utilities Commission, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72 (Feb. 12, 1998) (*State Petitions*); *Ex Parte* Presentation of the Rural Utilities Service, dated January 27, 1998 (*RUS January 27 ex parte*). RUS (formerly the Rural Electrification Administration) is a rural development agency of the U.S. Department of Agriculture that makes and guarantees loans to telecommunications carriers that serve rural areas. See also Resolution on Definition of Voice Grade Service for Universal Service Purposes, adopted by the National Association of Regulatory Utility Commissioners, March 18, 1998 (*NARUC resolution*).

² 47 C.F.R. § 54.101. Section 54.101(a)(1) provides:

(a) *Services designated for support.* The following services or functionalities shall be supported by Federal universal service support mechanisms:

(1) *Voice grade access to the public switched telephone network.* "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signalling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz.

approximately 500 Hertz (Hz) to 4,000 Hz.³ In the *Fourth Reconsideration Order*, the Commission determined that this technical requirement exceeded the frequency ranges generally provided under current industry practices and guidelines.⁴ Based on its concern that this requirement would have had the unintended effect of making many carriers ineligible to receive universal service support under the Commission's rules, the Commission revised the bandwidth requirement for voice grade access to a minimum frequency range of 300 Hz to 3,000 Hz.

RUS and the state commissions have asked the Commission to reconsider the revised voice grade access requirement and specify a wider bandwidth. Specifically, they propose a minimum frequency range of 200 Hz or 300 Hz to 3,400 Hz or 3,500 Hz.⁵ They do not suggest that the 300 Hz to 3,000 Hz frequency range specified in the Commission's rules is insufficient to ensure appropriate quality of voice transmission over the public switched telephone network. Rather, they are concerned that the Commission's current voice grade access bandwidth requirement does not ensure that rural consumers using 28.8 kilobits per second (kbps) modems to access the Internet and other information services can achieve data transmission speeds reasonably comparable to those achieved by non-rural consumers using 28.8 kbps modems.⁶

We seek comment on these requests to redefine the Commission's voice grade access requirement. We seek comment, in particular, on the technical issues involved in modifying that requirement. Although bandwidth affects the speed at which modems operate, modem performance is a function of several factors, only one of which is bandwidth. In that regard, we invite commenters to identify factors other than bandwidth that affect modem performance in rural and non-rural areas.

We also request that commenters provide detailed and technical information with respect

³ *Federal-State Joint Board on Universal Service*, Report and Order, CC Docket No. 96-45, 12 FCC Rcd 8776, 8811, para. 64 (1997), as corrected by *Federal-State Joint Board on Universal Service*, Errata, CC Docket No. 96-45, FCC 97-157 (rel. June 4, 1997), *aff'd in part, rev'd in part, remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999), *motion for stay granted in part*, No. 97-60421 (Sept. 28, 1999), *petitions for rehearing and rehearing en banc denied*, No. 97-60421 (Sept. 28, 1999) (*Universal Service Order*).

⁴ *Federal-State Joint Board on Universal Service, Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge*, Fourth Order on Reconsideration, CC Docket No. 96-45, Report and Order, CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, 13 FCC Rcd 5318, 5328-29, para. 16. (1997) (*Fourth Reconsideration Order*).

⁵ See *State Petitions* (urging Commission to phase in a range of 300 Hz to 3,500 Hz); *RUS January 27 ex parte*. RUS did not file a petition for reconsideration, but in a January 27, 1998 meeting with Commission staff, urged the Commission to adopt a frequency range of 200 Hz to 3,400 Hz. See also *NARUC resolution* (urging the Commission to phase in a 3,500 Hz bandwidth standard).

⁶ Modems convert outgoing digital signals generated by data terminal equipment, such as a personal computer, to analog signal formats suitable for transmission across the public switched telephone network, and convert incoming analog signals to digital format. A modem's speed is measured in terms of bits per second, which indicates the amount of information that can flow to and from a computer connected to the modem in one second.

to how any such change would affect carriers' eligibility to receive universal service support. We seek comment on how to ensure that consumers and carriers in rural areas are not adversely affected if the Commission modifies the voice grade bandwidth requirement and if, as a result, certain rural carriers become ineligible to receive universal service support. Commenters should also explain how an expanded definition of voice grade access for purposes of universal service support would affect the new high-cost universal service mechanism that will be implemented for non-rural carriers on January 1, 2000.⁷ We ask commenters to discuss the need for and implications of "hold harmless" provisions under such circumstances.

Finally, we seek comment on the financial impact that expanding the Commission's definition of voice grade access to support faster voiceband data transmission would have on individual carriers. Commenters should address whether an increase in the bandwidth required for voice grade access may have the unintended effect of encouraging substantial investment in the public switched telephone network to enhance analog modem performance to the possible detriment of investment in high speed, switched broadband networks. We ask commenters to identify other technical parameters that the Commission might adopt, in addition to possible changes to the voice grade access requirements, to improve rural consumers' access to the Internet and other information services. Commenters are encouraged to provide detailed comment on these as well as any additional issues raised by the petitions and proposals to modify the Commission's current voice grade access bandwidth requirement.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on or before January 19, 2000, and reply comments on or before February 4, 2000. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24,121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit electronic comments by Internet e-mail. To receive filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address.>" A sample form and directions will be sent in reply. Parties who choose to file by paper must file an original and four copies of each

⁷ See *Federal-State Joint Board on Universal Service*, Ninth Report & Order and Eighteenth Order on Reconsideration, CC Docket Nos. 96-45, 96-262, FCC 99-306 (rel. Nov. 2, 1999) (*Methodology Order*); *Federal-State Joint Board on Universal Service*, *Forward-Looking Mechanism for High Cost Support for Non-Rural LECs*, Tenth Report & Order, CC Docket Nos. 96-45, 97-160, FCC 99-304 (rel. Nov. 2, 1999) (*Inputs Order*). Rural telephone companies, as defined by section 3(47) of the Act, will continue to receive universal service support based on the existing system, as modified, until the Commission adopts a forward-looking economic cost mechanism for rural carriers, which would become effective no earlier than January 1, 2001.

filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. All filings must be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

Parties also must send three paper copies of their filing to Sheryl Todd, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, 445 Twelfth Street, S.W., Room 5-B540, Washington, D.C. 20554. In addition, commenters must send diskette copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20037.

Pursuant to section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this proceeding will be conducted as a permit-but-disclose proceeding in which *ex parte* communications are permitted subject to disclosure.

For further information, contact Katie King, Accounting Policy Division, Common Carrier Bureau at (202) 418-7400, TTY (202) 418-0484.