

ORIGINAL

HOGAN & HARTSON  
L.L.P.

MICHELE C. FARQUHAR  
PARTNER  
DIRECT DIAL (202) 637-5663  
INTERNET MF7@DC2.HHLAW.COM

EX PARTE OR LATE FILED

COLUMBIA SQUARE  
555 THIRTEENTH STREET, NW  
WASHINGTON, DC 20004-1109  
TEL (202) 637-5600  
FAX (202) 637-5910

January 5, 2000

RECEIVED

JAN 05 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth St., S.W.  
Washington, D.C. 20554

**Re: Ex Parte Presentation - Federal-State Joint Board on  
Universal Service, CC Docket No. 96-45**

Dear Ms. Salas:

I am writing to notify you of an *ex parte* contact in the proceeding referred to above. Today, the Competitive Universal Service Coalition sent the attached letter to Chairman William E. Kennard, with copies to the other four Commissioners and the staff listed on the attached service list. The letter discusses the formation of the Coalition and its core principles.

Please call me if you have any questions.

Respectfully submitted,



Michele C. Farquhar  
Counsel for the Competitive  
Universal Service Coalition

ccs: Attached Service List

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\*Affiliated Office

# COMPETITIVE UNIVERSAL SERVICE COALITION

January 5, 2000

*BY HAND DELIVERY*

Chairman William E. Kennard  
Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Chairman Kennard:

The Competitive Universal Service Coalition (the "Coalition"), a new group of carriers committed to ensuring that universal service reform yields pro-competitive programs and mechanisms to provide affordable, quality telecommunications services to all regions of the country, commends you and the FCC on the efforts to date to help introduce competition to rural and high-cost areas.

The Coalition applauds your continued efforts toward crafting a federal universal service program that provides support where it is most needed, while at the same time promoting competition by new entrants in rural and high-cost areas. For example, the FCC's recent decision (in the Ninth Report and Order and Eighteenth Order on Reconsideration) amending the universal service rules to establish the same time frames for all carriers for reporting the number of customers served and for receiving related funding, removed a significant barrier for new entrants seeking to provide universal service.

The Coalition recognizes, however, that there is still much work to be done. Some states are very much in need of guidance in their development of universal service programs and expedient, fair procedures for designating eligible telecommunications carriers ("ETCs") for the federal program. Access charge and local competition reform must proceed in a manner that removes all implicit universal service subsidies received by incumbent carriers but unavailable to new entrants, from both federal and state regulatory regimes. In addition, universal service support mechanisms must remain sufficiently flexible to allow further fine-tuning so that sufficient support is targeted to those areas that need it most.

Specifically, the Coalition urges the Commission to push forward more aggressively with universal service reform that is consistent with the Coalition's core principles:

- **DESIGNATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS:** Competitive common carriers seeking designation as an ETC should not be subject to discriminatory and unlawful requirements. The criteria used to evaluate an application for ETC status must be consistent with applicable law and regulation. In particular, the federal requirements are the only requirements that should be imposed on a carrier seeking eligibility for federal universal service funding. All common carriers must be subject to the same procedural requirements applicable to ETC applications, which should be processed in an expeditious and fair manner.

## COMPETITIVE UNIVERSAL SERVICE COALITION

- **COMPETITIVE NEUTRALITY:** Any common carrier, regardless of technology, that offers the required universal services and complies with all applicable requirements should be designated as an ETC for purposes of federal and state universal service support.
- **EXPLICIT SUPPORT:** Universal service support should be available to ETCs through an explicit universal service fund and should not be hidden in the rate structures of incumbent LECs and, therefore, unavailable to competitive ETCs. Universal service support levels should be sufficient and no greater than necessary to ensure that customers in high-cost areas have access to affordable telecommunications services and carriers have incentives to provide service in high-cost areas.
- **PORTABILITY:** Universal service should be portable among ETCs. Competitive ETCs should receive the same level of universal service support for serving a customer as the incumbent LEC would receive for serving the same customer.
- **EFFICIENT UNIVERSAL SERVICE SYSTEM:** Universal service programs should be fiscally prudent and as targeted as possible to carriers serving consumers in high-cost areas, by such measures as calculating the amount of support based on the most efficient technology.

The Coalition will pursue an agenda aimed at achieving these core principles, including, among other things, active participation in the FCC's universal service proceedings and state commission proceedings. We look forward to assisting the FCC in its efforts to create a new universal service regime that complements and is fully consistent with these competitive goals of the Telecommunications Act of 1996.

Sincerely,

### THE COMPETITIVE UNIVERSAL SERVICE COALITION

Association for Local Telecommunications Services  
AT&T Wireless Services  
Bell Atlantic Mobile  
Centennial Communications  
Competitive Telecommunications Association (CompTel)  
Dobson Communications Corporation  
McLeodUSA Telecommunications Services, Inc.  
Personal Communications Industry Association  
Sprint PCS  
U.S. Cellular Corporation  
Vodafone AirTouch Communications  
VoiceStream Wireless Corporation  
Western Wireless Corporation

ccs: Commissioner Susan Ness  
Commissioner Harold Furchtgott-Roth  
Commissioner Michael Powell  
Commissioner Gloria Tristani

## CERTIFICATE OF SERVICE

Kathy C. Brown  
Chief of Staff  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D. C. 20554

Dorothy Attwood, Legal Advisor  
Office of Chairman Wm. E. Kennard  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Ari Fitzgerald, Legal Advisor  
Office of Chairman Wm. E. Kennard  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Jordan Goldstein, Legal Advisor  
Office of Commissioner Susan Ness  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Mark Schneider, Senior Legal Advisor  
Office of Commissioner Susan Ness  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Rebecca Beynon, Legal Advisor  
Office of Comm'r Harold Furchgott-Rott  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Bryan Tramont, Legal Advisor  
Office of Comm'r Harold Furchgott-Roth  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Kyle Dixon, Legal Advisor  
Office of Comm'r Michael Powell  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Peter Tenhula  
Office of Commissioner Michael Powell  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Sarah Whitesell  
Office of Comm'r Gloria Tristani  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Adam Krinsky, Legal Advisor  
Office of Commissioner Gloria Tristani  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D. C. 20554

Christopher J. Wright  
General Counsel  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Thomas Sugrue  
Wireless Telecom Bureau Chief  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

James D. Schlichting, Deputy Bureau  
Chief  
Wireless Telecommunications Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Steven Weingarten, Chief  
Commercial Wireless Division  
Wireless Telecommunications Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dale Hatfield, Chief  
Office of Engineering and Technology  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Linda Armstrong  
Assistant Division Chief  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Lisa Boehley  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W., 8-A668  
Washington, D.C. 20554

Craig Brown  
Deputy Division Chief  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W., 8-A500  
Washington, D.C. 20554

Steve Burnett  
Public Utilities Specialist  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Bryan Clopton  
Public Utilities Specialist  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Andrew Firth  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Irene Flannery  
Division Chief  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Catherine Schroeder  
Deputy Division Chief  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Katie King  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Robert Loube  
Policy Analyst  
Common Carrier Bureau  
Federal Communications Commission  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Richard D. Smith  
Common Carrier Bureau  
Federal Communications Bureau  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Elizabeth Valinoti  
Common Carrier Bureau  
Federal Communications Bureau  
445 Twelfth Street, S. W.  
Washington, D. C. 20554

Matthew Vitale  
Common Carrier Bureau  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

Sharon Webber  
Common Carrier Bureau  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

Jack Zinman  
Common Carrier Bureau  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

Yog Varma  
Common Carrier Bureau  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

David Krech  
Wireless Telecommunications Bureau  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

Robert Pepper  
Office of Plans & Policy  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

Rosalind K. Allen  
Office of Plans & Policy  
Federal Communications Commission  
**445 Twelfth Street, S. W.**  
Washington, D. C. **20554**

Julia Johnson  
Commissioner  
Florida Public Service Commission  
**2540 Shumard Oak Blvd.**  
Gerald Gunter Building  
Tallahassee, Florida **32399-0850**

Martha Hogerty  
Public Council  
Missouri Office of Public Counsel  
**301 West High Street, Suite 250**  
Truman Building  
Jefferson City, MO **65102**

Patrick H. Wood, III  
Chairman  
Texas Public Utility Commission  
State Capitol, **500 East Capitol Avenue**  
Austin, Texas **78711-3326**

Sandra M. Adams  
Accountant  
Iowa Utilities Board  
**350 Maple Street**  
Des Moines, IA **50319**

Peter Bluhm  
Director of Policy Research  
Vermont Public Service Board Research  
Drawer **20**  
**112 State Street, 4<sup>th</sup> Floor**  
Montpieller, VT **05620**

Charlie Bolle  
Policy Advisor  
Nevada Public Utilities Commission  
**1150 E. Williams Street**  
Carson City, NV **89701**

Rowland Curry  
Policy Consultant  
Texas Public Utility Commission  
**1701 North Congress Avenue**  
P.O. Box **13326**  
Austin, TX **78701**

Carl Johnson  
Telecom Policy Analyst  
**New York Public Service Commission**  
**3 Empire State Plaza**  
Albany, NY **12223**

Lori Kenyon  
Common Carrier  
Alaska Public Utilities Commission  
1016 West 6<sup>th</sup> Avenue, Suite 400  
Anchorage, AK 99501

Doris McCarter  
Economist  
Ohio Public Utilities Commission  
Telecommunications, 3<sup>rd</sup> Floor  
180 East Broad Street  
Columbus, OH 43215

Philip McClelland  
Assistant Consumer Advocate  
PA Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101

Barbara Meisenheimer  
Consumer Advocate  
Missouri Office of Public Counsel  
301 West High Street, Suite 250  
Truman Building  
Jefferson City, MO 65102

Susan S. Miller  
Assistant General Counsel  
Maryland Public Service Commission  
16<sup>th</sup> Floor, 6 Paul Street  
Baltimore, MD 21202

Thor Nelson  
Rate Analyst/Economist  
Colorado Office of Consumer Counsel  
1580 Logan Street, Suite 610  
Denver, CO 80203

Mary E. Newmeyer  
Federal Affairs Advisor  
Alabama Public Service Commission  
100 N. Union Street, Suite 800  
Montgomery, AL 36104

Tom Wilson  
Economist  
Washington Utilities & Transportation  
Commission  
1300 Evergreen Park Drive, S.W.  
P.O. Box 47250  
Olympia, WA 98504