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Federal Communications Commission

DA 00-56

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Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No 96-45
Universal Service)	
)	
Proposed First Quarter 2000)	DA 99-2780
Universal Service Contribution Factor)	

ORDER

Adopted: January 12, 2000

Released: January 13, 2000

By the Deputy Chief, Common Carrier Bureau:

1. AT&T has requested¹ that the Commission revise the universal service contribution factor for the first quarter of 2000² in light of the Commission's decision in the universal service *Nineteenth Order on Reconsideration* to defer the provision of forward-looking high-cost support for non-rural carriers until the third quarter of 2000.³ In the *Nineteenth Order on Reconsideration*, however, the Commission explained that the decision to defer the provision of forward-looking support does not change the January 1, 2000 effective date of the new forward-looking support mechanism or the aggregate amount of high-cost support to be provided to non-rural carriers under the new mechanism.⁴ Rather, carriers will receive forward-looking support payments in the third and fourth quarters of 2000 that are retroactive to the first and second quarters of 2000, respectively.⁵

¹ Letter from Patrick Merrick, AT&T, to Magalie Roman Salas, FCC (filed Dec. 22, 1999). Although its letter is not specifically styled as a petition for reconsideration, we understand AT&T to be seeking reconsideration and will consider its request pursuant to section 1.106 of the Commission's rules. See 47 C.F.R. §1.106.

² *Proposed First Quarter 2000 Universal Service Contribution Factor*, CC Docket No. 96-45, Public Notice, DA 99-2780 (Com. Car. Bur., rel. Dec. 10, 1999) (*First Quarter 2000 Contribution Factor Public Notice*).

³ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Nineteenth Order on Reconsideration*, FCC 99-396 at paras. 10-11 (rel. Dec. 17, 1999) (*Nineteenth Order on Reconsideration*). See also *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Ninth Report and Order and Eighteenth Order on Reconsideration*, FCC 99-306 (rel. Nov. 2, 1999) (*High-Cost Methodology Order*). In the *High-Cost Methodology Order*, the Commission adopted a new high-cost support mechanism for non-rural carriers based on the forward-looking costs of providing supported services. *High-Cost Methodology Order*, FCC 99-306 at para. 34. This new support mechanism became effective on January 1, 2000. *High-Cost Methodology Order*, FCC 99-306 at para. 35.

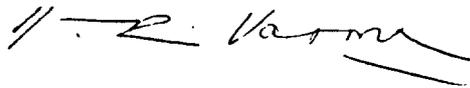
⁴ *Nineteenth Order on Reconsideration*, FCC 99-396 at paras. 1, 10.

⁵ *Nineteenth Order on Reconsideration*, FCC 99-396 at para. 11. In order for a non-rural carrier in a particular state to receive retroactive forward-looking support, the state must first certify to the Commission by April 1, 2000 that the carrier will use the support in compliance with section 254(e) of the Communications Act, as amended. See

2. Moreover, in the *High-Cost Methodology Order*, the Commission directed USAC to begin collecting contributions for the forward-looking high-cost support mechanism in the first quarter of 2000 as if support were being provided to all carriers potentially eligible for forward-looking support "to prevent fluctuations in the contribution factor and [to] ensure a uniform collection of contributions" throughout 2000.⁶ Because the *Nineteenth Order on Reconsideration* does not change the effective date of the new mechanism or the aggregate amount of support provided to non-rural carriers under the new mechanism, we find no reason to depart from the Commission's decision in the *High-Cost Methodology Order* to direct USAC to begin collecting contributions for the forward-looking high-cost support mechanism in the first quarter of 2000. We therefore deny AT&T's request to revise the universal service contribution factor for the first quarter of 2000.

3. Accordingly, IT IS ORDERED that, pursuant to sections 1, 4(i), 5(c), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), and 254, and sections 0.91, 0.291, and 1.106 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.106, the Petition for Reconsideration of the Proposed First Quarter 2000 Universal Service Contribution Factor filed by AT&T on December 22, 1999, IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Yog R. Varma
Deputy Chief, Common Carrier Bureau

Nineteenth Order on Reconsideration, FCC 99-396 at para. 11; *High-Cost Methodology Order*, FCC 99-306 at para. 97. See also 47 U.S.C. §254(e); 47 C.F.R. § 54.313.

⁶ *High-Cost Methodology Order*, FCC 99-306 at para. 102.