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PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: http://www.fcc.gov
ftp.fcc.gov

DA 02-1375

PUBLIC MEETING TO BE HELD ON PROPOSALS TO REFORM THE COMMISSION'S UNIVERSAL SERVICE CONTRIBUTION METHODOLOGY

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CC Docket Nos. 96-45, 98-171, 90-571, 92-237, NSD File No. L-00-72, CC Docket Nos. 99-200, 95-116, 98-170

Release Date: June 12, 2002

The Commission will hold a public meeting on Friday, June 21, 2002, at 1:00 p.m. in the Commission meeting room, Room TW-C305, at 445 12th Street, S.W., Washington, D.C. The purpose of the meeting is to explore ways of ensuring that the Commission's universal service methodology remains consistent with the requirements of the Communications Act of 1934, as amended, as the telecommunications marketplace continues to evolve. To that end, the Commission is seeking additional input from industry and other affected parties on proposals to reform the Commission's universal service contribution methodology. State members of the Federal-State Joint Board on Universal Service (Joint Board) are invited to join the Commissioners in presiding over the meeting.

In 1997, the Commission adopted a system under which telecommunications providers contribute to universal service based on their interstate and international end-user telecommunications revenues.[1] Since that time, the telecommunications marketplace has changed rapidly and technologies have evolved, with major developments including increased competition, migration to new products and services, and bundling of traditionally distinct services. The Commission has recognized that these trends could erode the contribution base over time.

In light of these trends, the Commission began a proceeding to revisit its universal service contribution methodology in May 2001.[2] Commenters submitted a range of innovative ideas and

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[1] *See Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8797 para. 39-40 (1997), as corrected by *Federal-State Joint Board on Universal Service*, Erratum, 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), *cert. denied* 2000 WL 684656 (U.S. Sup. Ct. May 30, 2000) (*Universal Service Order*).

[2] *See Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms,*

proposals for reforming the current system, while others asserted that the status quo should be maintained. On February 26, 2002, the Commission released a Further Notice of Proposed Rulemaking seeking further comment on specific proposals to reform the Commission's universal service contribution methodology.[3] The Commission specifically sought more focused comment on whether to assess contributions based on the number and capacity of connections provided to a public network, as proposed by some commenters. The Commission also invited commenters to supplement the record developed in response to the *May 2001 Notice* with any new arguments or data regarding proposals to retain or modify the existing revenue-based system. In addition, the Commission sought additional comment on reforming the contribution recovery process to make it more fair and understandable for consumers. Comments and reply comments were filed on April 22, 2002, and May 13, 2002, respectively. The goal of the public meeting is to further develop proposals submitted in the record.

The meeting is open to the public and seating will be available on a first come, first served basis. The audio portion of the meeting will be broadcast live on the Internet via the FCC's Internet audio broadcast page at http://www.fcc.gov/realaudio/. Audio and video tapes of this meeting can be purchased from Infocus, 341 Victory Drive, Herndon, VA 20170, telephone (703) 834-1470, Ext. 10; fax number (703) 834-0111.

The Wireline Competition Bureau will issue another public notice prior to the meeting detailing the agenda for the meeting and the names of panelists. For further information, contact Paul Garnett, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400, TTY (202) 418-0484.

Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans With Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, Notice of Proposed Rulemaking, 16 FCC Rcd 9892 (2001) (*May 2001 Notice*).

[3] *See Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review - Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans With Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, Further Notice of Proposed Rulemaking and Report and Order, FCC 02-43 (rel. February 26, 2002).