

October 7, 2002

***NOTICE OF EX PARTE
PRESENTATION***

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW B204
Washington, DC 20554

Re: **Federal-State Joint Board on Universal Service**
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200,
95-200, 95-116, 98-170 and NSD File No. L-00-72

Dear Ms. Dortch:

The attached written *Ex Parte* Presentation concerning the above-referenced proceeding was sent to Wireline Competition Bureau Chief William Maher by the undersigned on October 7, 2002, on behalf of the United States Telecom Association. In accordance with FCC Rule 1.1206(b)(1)¹, this Notice of *Ex Parte* Presentation and a copy of the referenced *Ex Parte* Presentation are being filed with you electronically for inclusion in the public record. Should you have any questions, please contact me at (202) 326-7300.

Sincerely,

/s/Lawrence E. Sarjeant
Lawrence E. Sarjeant
Vice President – Law
and General Counsel

Attachment

cc: William Maher
Matthew Brill
Jordan Goldstein
Daniel Gonzalez
Christopher Libertelli
Jessica Rosenworcel

¹ 47 C.F.R. § 1.1206(b)(1).

October 7, 2002

EX PARTE PRESENTATION

William Maher, Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW, Room 5 C450
Washington, DC 20554

Re: **Federal-State Joint Board on Universal Service**
CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200,
95-200, 95-116, 98-170 and NSD File No. L-00-72

Dear Mr. Maher:

I write on behalf of the United States Telecom Association (USTA) to express USTA's concern about the Commission's proceeding on the contribution scheme for the funding of universal service support mechanisms. USTA is particularly concerned that the Wireline Competition Bureau may be preparing to recommend that the Commissioners adopt the connections-based proposal presented by the Coalition for Sustainable Universal Service (CoSUS), or one very similar thereto. As noted by the ILECs that have filed in this proceeding and the associations that represent them, the CoSUS proposal violates Section 254(d) of the Telecommunications Act of 1996 (1996 Act). It is nothing less than a shameless attempt by interexchange carriers to absolve themselves of their obligation to contribute to the funding of universal service support mechanisms on an equitable and nondiscriminatory basis.

USTA has supported the Joint Proposal of BellSouth and SBC (Joint Proposal), a connection-based proposal that provides for equitable and nondiscriminatory contributions by all telecommunications carriers that provide interstate telecommunications services. This proposal satisfies the requirements of Section 254(d), assures the continued availability of sufficient and predictable universal service support, expands the base of contributors, and is competitively neutral. USTA acknowledges that the Joint Proposal presents implementation issues that must be resolved. CoSUS proponents AT&T and Sprint have also acknowledged that the implementation of CoSUS will be both difficult and time consuming (9-12 months). Implementation of any connections-based scheme will require a reasonable transition period and an opportunity to collect additional data in order to perform the modeling needed to avoid unintended disruptions to the various support programs. Despite the pressure to implement a new contribution scheme by April 2003, it is more important that the FCC take the time necessary to implement a lawful scheme whose impacts have been modeled and tested using verifiable data. A miscalculation as to the impacts of a new contribution scheme could produce devastating customer and carrier impacts.

William Maher
October 7, 2002
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USTA's support for the connections-based Joint Proposal is not a blanket endorsement of all connections-based schemes. It is unequivocally not an endorsement of the CoSUS proposal or any connections-based proposal that is not inclusive of all telecommunications carriers that provide interstate telecommunications services. A supportable contribution scheme must first satisfy the plain language of Section 254(d), assure continued sufficient and predictable universal service support and be competitively neutral. There is no higher priority for USTA than fighting for the preservation of a sufficient and predictable high cost universal service support mechanism that conforms to all of the requirements of Section 254. FCC adoption of a contribution scheme like the CoSUS proposal that so blatantly violates Section 254(d) would compel USTA to seek judicial review. USTA appreciates this opportunity to clarify that its support for the Joint Proposal should not be interpreted as support for the CoSUS proposal or a CoSUS-like proposal.

Sincerely,

/s/Lawrence E. Sarjeant
Lawrence E. Sarjeant
Vice President – Law
and General Counsel

cc: Matthew Brill
Jordan Goldstein
Daniel Gonzalez
Christopher Libertelli
Jessica Rosenworcel