Before the Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	**CC Docket No. 96-45**
	)	
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	)	**CC Docket No. 98-171**
	)	
Telecommunications Services for Individuals With Hearing and Speech Disabilities, and the American Disabilities Act of 1990	)	**CC Docket No. 90-571**
	)	
Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size	)	**CC Docket No. 92-237** **NSD File No. L-00-72**
	)	
Number Resource Optimization	)	**CC Docket No. 99-200**
	)	
Telephone Number Portability	)	**CC Docket No. 95-116**
	)	
Truth-in-Billing Format	)	**CC Docket No. 98-170**

Reply Comments of

Community Action Partnership
American Association of People with Disabilities
Consumer Action
Rainbow-Push Coalition

April 18, 2003

The following organizations jointly provide these reply comments addressing a proposal under consideration by the Federal Communications Commission (Commission) that focuses on how universal services are funded:

I. Statement of Interests

Community Action Partnership (CAP) is the national association representing the interests of the 1,000 Community Action Agencies (CAAs) organized to change people's lives, embody the spirit of hope, improve communities, and make America a better place to live. CAP serves as a national forum for policy on poverty and to strengthen, promote, represent and serve its network of member agencies to assure that the issues of the poor are effectively heard and addressed. CAP works to advance the economic condition, educational attainment, political influence, health and civil rights of low-income Americans. CAP works hard to ensure that low-income Americans are not left behind.

American Association of People with Disabilities (AAPD) is the largest national nonprofit cross-disability member organization in the United States, dedicated to ensuring economic self-sufficiency and political empowerment for the more than 56 million Americans with disabilities. AAPD works in coalition with other disability organizations for the full implementation and enforcement of disability nondiscrimination laws, particularly the Americans with Disabilities Act (ADA) of 1990 and the Rehabilitation Act of 1973.

Consumer Action is a San Francisco-based education and advocacy organization that has worked on telephone, banking and privacy issues for more than 30 years. Consumer Action works through a national network of more than 6,500 community-based organizations that serve low and moderate-income consumers, recent immigrants and people of color.

Rainbow/PUSH Coalition is a progressive organization that advocates for social change. With a membership of nearly 300,000, Rainbow/PUSH is a national coalition of under-served employees, consumers, and entrepreneurs committed to securing equal protection, opportunity, and access under the law. Consistent with this mission, Rainbow/PUSH seeks to ensure equal access to services, employment and ownership opportunities in the telecommunications industry. The connection-based methodology proposal (CBM) being reviewed at the Commission will pose a disproportionate financial burden on low-income and low-volume consumers. Rainbow/PUSH has a substantial interest in this proceeding, because of the adverse impact that the CBM will have on many of our constituents.

II. Comments

Under the current system, telecommunications firms are required to use a percentage of their interstate revenue to support the Universal Service Fund (USF). Under the proposed system, contributions would be based on a flat monthly connection-based fee. Considering that many of the Commenters' members/affiliates are eligible for the universal service programs, we are strong supporters for the Universal Service Fund, and the need to provide a reliable source of funding for universal service programs. We also endorse the Commission's recent changes to the universal service contribution methodology. However, we are wary about radical changes to this revised contribution methodology that may negatively affect the populations we ultimately serve.

We believe that a connection-based mechanism unfairly and adversely impacts lower income and lower volume users of interstate services, and on carriers who provide services to such consumers. The Commenters point out that a connection-based mechanism is neither equitable nor nondiscriminatory to carriers who provide services to our members/affiliates, which violates Section 254(d) of the Communications Act which states that "[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to be specific, predictable and sufficient mechanisms established by the Commission to preserve and advance universal service." [1] The implementation of a connection-based mechanism would present a significant, unnecessary change in the way in which USF contributions are collected.

We recommend that the Commission consider alternative modifications to the contribution methodology. The Commenters bring to the Commission's attention some example modifications noted by TracFone Wireless, Inc.'s recent comments in which they

> "…urges the Commission to consider additional changes to the revenue-based contribution methodology, such as eliminating the wireless safe harbor and ensuring that broadband Internet access services, particularly Internet based telephony services, contribute to the Universal Service Fund."[2]

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[1] 47 U.S.C. Paragraph 254(d).

[2] Comment Letter of TracFone, Inc. CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, and 98-170, February 28, 2003.

We concur that such changes could provide significant additional resources for universal service programs. Additionally, these suggested changes would most likely not have a negative effect on lower income and lower volume users of interstate services.

III. Conclusion

In summary, the Commenters believe that radical changes to the revised contribution methodology may have unintended negative consequences on consumers. We believe that the best available alternative to ensure the continued viability of the universal service programs is to consider alternative modifications to the contribution methodology, such as eliminating the wireless safe harbor and ensuring that Internet based telephony services contribute to the Universal Service Fund. Hence, we respectfully request that the Commission more carefully review proposed changes to the universal service funding and request that the Commission discard the proposal for a connection-based funding system.

Sincerely,

//s//

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//s//

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