



December 19, 2003

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EX PARTE – VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Re: CC Docket No. 96-45
Written Ex Parte Presentation

Dear Ms. Dortch:

The attached paper “Harnessing Competitive Forces to Foster Economical Universal Service,” prepared by Dr. David Sappington at GCI’s request, is submitted for the record in the proceeding. In the paper, Dr. Sappington concludes that:

- the competitive process, not regulatory pre-selection of a single universal service provider, is the best means to ensure the delivery of supported telecommunications services at minimum cost to consumers. Among the many benefits of competition is its ability to constantly motivate industry suppliers to reduce their operating costs over time, and thereby limit the total support required to ensure the delivery of high quality services at affordable rates;
- symmetric support policies will ensure that industry costs and support levels will be minimized on an ongoing basis and excessive support can be avoided by eliminating duplicative support and, if necessary, by capping total support; and
- proposals for asymmetric per-line support should be rejected in favor of defining supported services appropriately, de-averaging support across relevant geographic regions, and implementing a reasonable sharing of true burdens that may arise from any asymmetric carrier-of-last-resort obligations (to the extent any can be demonstrated).

A copy of Dr. Sappington’s paper is being provided to the Joint Board Members and their staff.

Ms. Marlene H. Dortch

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In accordance with the Commission's rules, a copy of this letter with the attachment is being filed in the above-captioned proceeding.

Sincerely,

/s/

Tina M. Pidgeon

Vice President, Federal Regulatory Affairs

Attachments

cc: The Honorable Kathleen Abernathy
The Honorable Kevin Martin
The Honorable Jonathan Adelstein
The Honorable Thomas Dunleavy
The Honorable Lila Jaber
The Honorable Bob Rowe
The Honorable Nan Thompson
The Honorable Billy Jack Gregg
Matt Brill
Dan Gonzalez
Lisa Zaina
Carl Johnson
Greg Fogleman
Joel Shifman
Lori Kenyon