

A “Primary Line” Restriction Would Harm Rural Consumers

- **Rural Consumers Are Entitled to Affordable Service for “Non-Primary” As Well As “Primary” Lines.** Section 254 entitles rural consumers to “just, reasonable and affordable” and “reasonably comparable” rates and services. The Act does not restrict these rights to “primary lines.” Rural consumers want and need multiple connections just as much as consumers elsewhere.
- **A “Primary Line” Restriction Would Prevent Rural Consumers From Obtaining Wireless Service That They Want and Need.** Rural consumers increasingly rely on wireless for their telecom needs and stand to benefit as wireless/wireline competition intensifies. A primary line restriction on universal service funding, however, would make it difficult, if not impossible, for rural consumers to obtain supported wireless service.
- **A “Primary Line” Restriction Would Dramatically Reduce Incentives For Wireless Carriers To Deploy And Upgrade Facilities In Rural Areas.** Wireless carriers, like wireline carriers, need universal service support for deploying network facilities and services in high-cost rural areas. A primary line restriction would severely limit deployment of wireless service in many rural areas. The consideration of imposing a primary line restriction sends the wrong message to investors, i.e., that ETCs ability to serve new and existing customers might be artificially curtailed.
- **“The point of providing universal fund support service is to level the playing field. Theoretically, lower prices, competitive with what is offered in urban settings, will allow greater access to telephonic services. Our state and federal governments have established this greater access as a worthy goal. These extra access lines, whether or not they can all be labeled “discretionary,” should not be inordinately more expensive than identical services in an urban setting. We find no legal justification for limiting the number of access lines eligible for this support.”**
<http://www.state.il.us/court/Opinions/AppellateCourt/2003/5thDistrict/May/Html/5020199.htm>
- **Primary Line Restrictions Would Not Be An Effective Means to Slow the Growth of the High-Cost Fund.** Support to ILECs amounts to over 95% of high-cost fund disbursements, and over 90% of high-cost fund growth over the past 3 years. Thus, a primary line limitation on funding, which would disproportionately affect CETCs, would have a negligible impact on the size or growth of the fund.
 - **Alternative, Competitively Neutral Policies Should Be Considered To Limit Fund Growth.** *Study area funding caps* or *per-line funding caps* would effectively limit fund growth. Additionally, transitioning to determining support based on the forward-looking cost of the least-cost technology would result in significant savings.
- **A Primary Line Restriction Is Not a Simple Matter – It Would Require Far-Reaching Policy Changes At the State, As Well As Federal, Levels.**
 - **If only “primary lines” were eligible for universal service support, then rural ILECs would need to be regulated very differently at both the state and federal levels.** Rural ILECs would need authority from state PUCs to raise the rates for non-“primary” connections to levels reflecting the absence of high-cost support.
 - **A primary line restriction would make it critically important to determine which line is designated as “primary,” which could lead to “slamming” consumers’ primary line designations.** Carriers would have to share private customer data to determine whether multiple carriers offer service to a single “household.” Such inter-carrier coordination would be quite complex and difficult to implement.
 - **To implement a primary line restriction, regulators would have to address such issues as how to define a “household” for purposes of ensuring that only a single line per household receives support.**

Communications regulators and carriers should not place themselves in the position of making such social policy judgments.

- ***When Consumers Purchase Universal Service From Multiple ETCs (e.g., Wireless and Wireline), How Determine Which Carrier's Service is "Primary"??*** A presumption that either incumbents or new entrants provide the primary line would violate competitive neutrality and the Act.
 - **Consumers should drive the process based on their real-world marketplace choices – not through filling out a survey form asking, "which is your primary line?"** Asking consumers which connection *they* consider to be "primary" would not solve the problem. Consumers may well call their wireline phones "primary," given that the root of the word "primary" means "first" – but the 1996 Act forbids policies that give ILECs advantages simply because they were there "first."