

UNIVERSAL SERVICE: A VITAL NATIONAL POLICY

Issue

Universal Service has remained the cornerstone of our nation's telecommunications policy for more than six decades, ensuring that we enjoy the benefits of a nationwide integrated communications network. The nation's economic and national security insists that this policy be preserved.

Background

The nation as a whole is the beneficiary of its strong commitment to universal service, which is a social compact embracing the ideal that all Americans, both urban and rural, are entitled to quality telecommunications services that are comparable in price and scope.

Driven by a unique cost-recovery process, the nation's universal service system effectively yields the highest possible level of telecommunications connectivity among the public. Today, the program emphasizes an assurance that necessary cost recovery is available to those that make the commitment to serve the nation's most economically challenging markets. This is the key to building the nationwide network that has guaranteed all

Americans the ability to enjoy an unprecedented era of access to information.

Unfortunately, the universal service program today in one sense is becoming the victim of its own success. Missteps by federal and state regulators, and several controversial court decisions are opening the program to competitors that do not appear to have the level of commitment to the nation's highest-cost markets that small rural ILECs have traditionally displayed. The result is an expanding program that fails to provide a corresponding level of consumer value.

NTCA Position

NTCA strongly supports the nation's universal service policy and the mechanisms that carry it out. The association will continue to press the Federal Communications Commission, as well as the various state regulatory authorities, to implement the policy according to the clear meaning of the Communications Act of 1934. In addition, the association will continue to work with the Congress to the degree necessary to ensure that regulations and court decisions do not distort this intent.



Connecting the Heartland of America to the World