



February 11, 2005

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45**

Dear Ms. Dortch:

The Commission is currently considering the February 2004 recommendations of the Federal-State Joint Board on Universal Service.^{1/} This proceeding is of increasing importance to many cable operators and their affiliates, given their growing provision of voice services to residential consumers. Today, cable operators provide more than 3.2 million customers with facilities-based circuit-switched, or VoIP residential telephony services. As a result of more than \$95 billion of private investment in upgrades and enhancements to cable technology since 1996, cable operators are among the leaders in deploying high-quality, reliable local exchange services in many areas of the country.

Competitive local exchange services provided by cable telephony companies can be an attractive alternative for households in areas eligible for universal service high cost fund ("HCF") support. But current regulatory definitions make it difficult or impossible for most cable telephony companies to obtain eligible telecommunications carrier ("ETC") designation and thus receive HCF support to serve these areas. We would like to direct the Commission's attention specifically to the ILEC study area definition.

Current rules in many states require carriers seeking ETC designation to provide service throughout an ILEC's study area. In most cases, the ILEC study area is defined as its entire statewide serving area. Because the service areas of cable telephony companies, which generally mirror historic cable television franchise areas, do not typically match ILEC study areas, cable telephony companies are effectively precluded from obtaining ETC designation and therefore, HCF support. Ironically, this outcome, practically speaking, excludes from participation in the HCF companies that have made billions of dollars in investment in the facilities that have brought myriad services to many corners of the country.^{2/}

^{1/} *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Notice of Proposed Rulemaking, 19 FCC Rcd 10800 (2004) ("*Universal Service NPRM*").

^{2/} 47 U.S.C. § 541(b).

In order to allow cable telephony companies to become designated as ETCs, and thus be eligible to assist in providing universal service to the rural communities they serve, the NCTA urges the FCC to consider changing 47 C.F.R. § 54.201(d). The changes should require an ETC-designated cable telephony company to make available services throughout the area for which its affiliate cable television company holds a franchise rather than “throughout the service area for which designation is received,” as the section currently requires.

The NCTA also supports the call by many interested parties that the Commission mandate the disaggregation of ILEC study areas^{3/} to the wire center or other comparable level.^{4/} Such disaggregation will enable ILEC support to be matched as closely as possible to cable franchise areas.

NCTA and its member companies thank you for your careful consideration of this matter.

Sincerely,

/s/ Daniel L. Brenner

Daniel L. Brenner

^{3/} See, e.g., *Federal-State Board on Universal Service*, CC Docket No. 96-45, Comments of Cox Communications, Inc., at 6-8 (Aug. 6, 2004); *Federal-State Board on Universal Service*, CC Docket No. 96-45, Comments of General Communication, Inc., at 22-25 (Aug. 6, 2004).

^{4/} *Federal-State Board on Universal Service*, CC Docket No. 96-45, Reply Comments of Rural Cellular Association and The Alliance of Rural CMRS Carriers, at 7 (Sept. 21, 2004) (“It is widely accepted that disaggregating support to the wire center level is not an onerous task, even for small rural ILECs.”)