

Harvard University
University Information Systems



Director- Telecommunications and Technology
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February 21, 2006

Ex Parte Presentation

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

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

Dear Ms. Dortch:

Harvard University submits this letter to state our concerns that a number-based contribution mechanism would have a significant impact to Harvard. We have determined that our federal universal service obligation would increase from \$70,000 (FY05 using all sources) to over \$400,000 annually if a number-based approach were adopted, assuming that the per-number fee is \$1 per working telephone number.

Harvard would be required to raise its monthly rates to departments for telecommunications services as a direct result of the adoption of the current FCC plan. A number of areas within the Harvard community would have to absorb the increased costs for telecom services with no additional benefit, creating negative visibility and unnecessary financial burden:

1. Funding from Federal Grant programs- Funding earmarked for important research and academic pursuit would need to be reallocated to support basic telecom budgets.
2. Students and parents- Currently the University has one working telephone number for each student suite to ensure E911 and emergency access to every student. An additional burden of \$6000/month (based on 6,000 student lines) would be very onerous for these under-used lines and would inevitably lead to a reduction in the emergency infrastructure for student telecommunications.

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3. Future technology investments- Budgets that include components for key technology upgrades to ensure security and stability of the campus network infrastructure would be limited by this additional burden, leading to delays or elimination of needed infrastructure investments.

Enterprise customers include more than just the Fortune 500 companies. Many of the not-for-profit organizations, charitable organizations, medical institutions, and local and state governments simply do not have the resources to absorb significant increases in regulatory fees. Even the larger colleges and universities which have sizeable endowments like Harvard have definite and published plans for these funds to enhance the research community all over the world and would not view such a massive increase in governmental fees as a positive action.

Harvard University is particularly concerned with any reform that requires enterprise customers to shoulder a heavier universal service burden than they do today in comparison to residential customers. We urge the FCC to consider rejecting any efforts to establish a residual funding mechanism under which enterprise customers are responsible for all funding above a certain per-number fee for residential customers. We believe that the model adopted should not substantially disadvantage any particular class of customers, including enterprise customers and low-volume residential customers.

We have further concerns with how non-number-based services, including special access services, would be assessed under a number-based approach, particularly with respect to double billing. Because most of our special access services already have associated numbers, there is no basis to separately assess special access services in addition to working numbers. It is our understanding that advanced data services for residential customers (DSL and cable modem service) are exempt from universal service obligations. The same exemption could apply equally to enterprise data services and special access services.

We urge the FCC to adopt a plan which accounts for the specific concerns of the higher education and non-for-profit community. We are confident that the FCC can reexamine the formula and support a modified numbers-based approach through a

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hybrid or equivalency model for enterprise customers [i.e. Centrex number
equivalency model (1/9) as is currently done].

We fully support the goals of universal service. However, we strongly suggest that
no reform proposals be formally adopted by the Commission until the full impact of
those proposals is considered and fully understood.

Respectfully submitted,

Nancy Kinchla, Director
Telecommunications and Technology Services