



VIA ELECTRONIC DELIVERY

January 24, 2007

Chairman Kevin Martin
Commissioner Jonathan Adelstein
Commissioner Michael Copps
Commissioner Deborah Tate
Commissioner Robert McDowell
Federal Communications Commission (via e-mail)

Re: Ex Parte Communications, FCC Dockets 96-45, 01-92, 03-133, 04-36, 06-122

Dear Chairman Martin and Commissioners:

On behalf of the National Association of State Utility Consumer Advocates (“NASUCA”), I am writing in a somewhat belated response to the November 14, 2006 submission from an *ad hoc* committee of the Federal Communications Commission’s (“FCC”) Consumer Advisory Committee (“CAC”) entitled “Recommendation Regarding General Principles of Implementation for Universal Service Reform” (“CAC Recommendations”).¹ A representative of NASUCA serves on the CAC.

Of course, NASUCA supports the goal of universal service which provides affordable telephone access to consumers. In that vein, NASUCA recognizes that universal service support for basic service continues to be a bedrock component of consumer protection in an increasingly competitive telecommunications market that focuses on service bundles. NASUCA typically characterizes its interest in universal service as representing both those consumers who benefit from the universal service fund (“USF”) and those who pay into the USF. However, NASUCA does not support the CAC Recommendations in two key respects.

¹ See *ex parte* communication (Nov. 14, 2006) from the ad hoc committee of the Consumer Advisory Committee.

First, NASUCA is on record in the above-cited proceedings -- as recently as last week -- noting the USF program is **not** faced with “falling receipts.”² It may be that there are “expanding expenses” in the program,³ but the expansion is under the control of the Commission. It appears that expanding the USF to include broadband would indeed represent a significant expansion of the program. In any event, NASUCA remains opposed to proposals that would alter the current revenue basis of the USF contribution mechanism to one based on numbers or connections to the network.

Second, NASUCA as an organization has not taken a policy position regarding the expansion of universal service access to cover broadband services. In order to receive funds from the USF, a service must meet the tests of 47 U.S.C. § 254(c)(1)(A)-(D). The Commission has not made such a finding for broadband services. Alternatively, a change in the statute by Congress could make broadband services eligible for USF support. Until one of those events occurs, however, broadband services are not eligible for universal service funding, with the exception of the explicit E-Rate program for schools and libraries and the rural telemedicine program.

Those points being made, however, NASUCA supports the remainder of the CAC Recommendations, including the CAC’s central premise that “America is on the verge of [a] vast new broadband-driven digital transformation that promises to make life more livable, businesses more productive, jobs more plentiful, and the Internet more accessible,”⁴ along with many of the specific recommendations included in the *ex parte*.⁵ NASUCA looks forward to working with the Commission and the CAC to make those benefits available to consumers.

Respectfully submitted,

/s/ David C. Bergmann

David C. Bergmann
Chair, NASUCA Telecommunications Committee
Assistant Ohio Consumers’ Counsel
Office of the Ohio Consumers’ Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215
(614) 466-9559 Telephone
Bergmann@occ.state.oh.us

CC: FCC Consumer Advisory Committee

² Nov. 14, 2006 *ex parte* at 2 (introductory paragraph of recommendations).

³ *Id.*

⁴ *Id.* at 1.

⁵ *Id.* at 2.