

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
A National Broadband Plan for Our Future)	GN Docket No. 09-51
)	
Establishing Just and Reasonable Rates for Local Exchange Carriers)	WC Docket No. 07-135
)	
High-Cost Universal Service Support)	WC Docket No. 05-337
)	
Developing a Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link Up)	WC Docket No. 03-109

EX PARTE COMMENTS
August 24, 2011

David Certner
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AARP submits these ex parte comments in support of the comments presented by the National Association of State Utility Consumer Advocates (NASUCA) in the aforementioned dockets. AARP supports the deployment of broadband to unserved and underserved areas. However, we believe that the “America’s Broadband Connectivity Plan” (ABC Plan) will not only fall short of achieving that goal, but will also harm consumers through significant price increases for local phone service and the preemption of state regulatory authority. In addition to our support of NASUCA’s comments, AARP wishes to further emphasize two points: First, AARP opposes any move to increase the subscriber line charge (SLC) for wireline service, particularly as a revenue replacement for inter-carrier compensation (ICC) reform, and second, AARP opposes any plan that pre-empts state regulatory authority.

NASUCA’s comments are consistent with concerns stated in past filings submitted by AARP which emphasize the necessity of affordable basic phone service. Basic telephone service is crucial to public health and personal welfare. This is especially true for older Americans. Basic telephone service allows older people to maintain social contact, preserve health and safety, and gain assistance in an emergency.

According to the FCC’s statistics, individuals age 65 and older are more likely than any other age group to have telephone service in their home. Therefore, any reform of high-cost universal service funding and inter-carrier compensation must continue to promote high-quality and affordable basic telephone service. However, the ABC plan neither reforms the universal service fund to the benefit of consumers, nor promotes affordable basic telephone service.

The ABC plan allows a gradual increase in the SLC of an additional \$3.75 per month to \$4.50 a month over a five year period depending upon the company.¹ An increase to the SLC is an increase in monthly phone bills because consumers cannot bypass this charge. The SLC increase proposed by the plan is meant to guarantee revenue recovery for carriers at current levels, with no showing that such revenue guarantee is justified. Carriers should be required to bear the burden of demonstrating their need for “revenue recovery” with verifiable and comprehensive supporting documentation. For foregone intrastate access revenues, carriers should be required to show to state public utility commissions that increases in fixed charges are necessary to earn a reasonable return on their properly assigned and allocated intrastate regulated investment. The ABC plan preempts the states’ authority to provide regulatory review of these increases.

AARP supports public policy to make universal service affordable, and truly high speed broadband a national reality. High-quality broadband networks and similar advanced communications technologies have the potential to make the world more accessible for all Americans, erasing the distances between rural and urban communities and providing convenient pathways to the economic and social activities that are vital for leading comfortable and meaningful lives. These technologies can powerfully expand opportunities

¹ ABC Framework at 10-12; Joint Letter at 3, n.1.

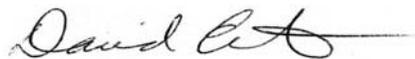
throughout society, as people at all income levels face varying challenges to stay in contact with other people, places, and activities. Everyone benefits when rural and low-income consumers have access to affordable high-quality communications services. However, any action taken by the FCC to “reform” universal service must not damage the viability of basic telephone service. The ABC plan does just that by taking high cost funding used to support voice telephone service, shifting it to broadband, thereby raising local phone rates through the SLC and then removing the obligation to provide voice service. At the same time, the plan neither offers enforceable proposals for expanding broadband, nor ensures that consumers could afford the broadband that may be offered.

AARP has long standing policy in support of maintaining states’ authority to adopt service-quality and other consumer protections for all modes of telecommunications services. We believe that the state regulatory authority provides the best oversight of basic consumer protections that safeguard the viability, quality and affordability of utilities. State regulators are the experts with regard to local rates, service quality and the financial conditions of carriers operating in their states. Further, AARP agrees with NASUCA that until Congress enacts legislation that authorizes the Commission to abrogate the long-standing role of the states in the regulation of telecommunications services, the Commission is not so authorized.

Finally, AARP is disappointed that the FCC’s request for comments to these critical consumer issues was limited to a 21-day comment period in August, and that the Commission subsequently denied a request to extend the filing period. AARP agrees with NASUCA’s comments that *all* consumers would be harmed by the ABC plan.

AARP appreciates the opportunity to respond to the Commission’s request for comments on these important issues. We would welcome any opportunity to discuss our comments with the Commission and staff and to provide any additional information or materials the Commission may request. Please direct any questions or requests to Marti Doneghy with AARP’s Government Affairs staff at mdoneghy@aarp.org or (202) 434-3804.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Certner".

David Certner
Legislative Counsel and Legislative Policy Director