

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training)	WC Docket No. 12-23
)	

**OPPOSITION OF
THE UNITED STATES TELECOM ASSOCIATION**

I. INTRODUCTION AND SUMMARY

Pursuant to Section 1.429(f) of the Commission’s rules and the Commission’s Public Notice,¹ the United States Telecom Association (“USTelecom”)² respectfully submits its opposition to the Petition for Partial Reconsideration of the American Public Communications Council, Inc. (“APCC”) requesting reconsideration of the decision reached in of the *Order*³ to not provide low-income funding for payphones.

¹ Public Notice, *Petitions for Reconsideration of Action in Rulemaking Proceeding*, Report No. 2948 (April 5, 2012).

² USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom members provide a full array of services, including broadband, voice, data and video over wireline and wireless networks.

³ See *Lifeline and Link Up Reform and Modernization*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket No. 11-42, FCC 12-11, ¶ 58 & ¶ 245 n. 652 (rel. Feb. 6, 2012) (“*Order*”).

The Commission has taken important steps to reform and modernize the Universal Service Fund's Lifeline program, and the USTelecom supports the Commission's efforts. Given the significance of the issues and the complexity of the subjects involved, it is not surprising that several parties, including USTelecom, have filed petitions for reconsideration or clarification of various aspects of the *Order*. USTelecom's focused opposition to the APCC Petition should not be interpreted as an endorsement of the other reconsideration petitions filed in this proceeding.

II. THE APCC PETITION SHOULD BE DENIED

APCC merely repeats the same weak arguments it made in December of 2010 when it filed two petitions on the same issue of providing Lifeline funding for payphones.⁴ APCC's petitions, and now its Petition for Partial Reconsideration, while requesting Lifeline funding for payphones, seem to confuse the concepts of high-cost and low-income universal service funding. APCC continues to confuse the concepts of high-cost and low-income, arguing that "passing on the support does not affect in any meaningful way the affordability of the service but can mean the disappearance of the service."⁵

On the one hand, APCC seemingly requests funds for payphones that collect less revenue than their costs, which is a concept more akin to high-cost funding than Lifeline. But APCC does not establish that these unprofitable payphones exist in any significant number. Indeed, given payphones are not regulated, and there is no "payphone of last resort" requirement on payphone providers, payphone operators presumably only choose to continue operating those payphones that yield positive net revenues, thereby obviating the need for high-cost type support.

⁴ See *Petition for Rulemaking to Provide Lifeline Support to Payphone Line Service* (filed December 6, 2010) and *Emergency Petition for Interim Relief to Prevent the Disappearance of Payphones*, (filed December 6, 2010).

⁵ APCC Petition at 8.

On the other hand, if APCC is seeking Lifeline-type support, it does not provide any data as to the percentage of payphones that serve as the primary point of telecommunications access for a significant number of low-income consumers, nor does APCC suggest a methodology for determining the identity of such payphones so that the support could be properly targeted. Furthermore, APCC does not suggest how any support provided would be passed through to low-income consumers. And even if the discount could be passed through to consumers, APCC itself admits that the average savings would be 20 cents per month per user and “is not likely to be an amount for even low income users that will affect the affordability of the service.”⁶

Given the finite resources of the Universal Service Fund, supporting all payphone lines in order to reach some low-income consumers is contrary to good public policy that would militate in favor of better, more precise, targeting of universal service support. Section 276(b)(2) provides for the Commission to determine the need for what it characterizes as “public interest telephones” and if the Commission makes such determination, for the public interest payphones to be supported fairly and equitably.⁷ If APCC feels that the Commission has not properly implemented Section 276(b)(2), it should offer regulatory remedies pursuant to that section of the Act, and not conflate those issues with the broader universal service mandates found in Section 254 of the Act.

⁶ APCC Petition at 8.

⁷ See 47 U.S.C. Section 276(b)(2)

III. CONCLUSION

For the foregoing reasons, the Commission should deny the APCC Petition for Partial Reconsideration.

Respectfully submitted,

UNITED STATES TELECOM ASSOCIATION



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