

CERTAIN FCC RULES RELATING TO HIGH-COST UNIVERSAL SERVICE SUPPORT ARE UNDER OBSERVATION

On 16 August 2004, the United States Federal-State Joint Board on Universal Service invited public comment on three main issues relating to the high-cost universal support mechanisms for rural carriers.

First, the Federal-State Joint Board suggests revising the definition of “rural telephone company” in order to determine which carriers are rural carriers for high-cost universal service support purposes.

Second, the Board is examining the appropriate structure of universal service support mechanisms in areas served by rural carriers, including the cost basis of support and the method of calculating support. It aims at determining how to efficiently and effectively achieve the goals set forth in the Telecommunications Act of 1996 regarding a universal service support mechanism for rural carriers: either a forward-looking economic cost estimate model or an embedded cost mechanism.

Finally, the organization is considering whether to retain, modify, or eliminate section 54.305 of the Commission’s rules, which governs high-cost universal service support for transferred exchanges. According to current FCC rules, “a carrier that acquires exchanges from an unaffiliated carrier receives universal service support for those acquired exchanges at the same per-line support levels for which the exchanges were eligible prior to the transfer” explains the FCC in its public notice.

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Adapted from: Federal Communications Commission (FCC), (<http://www.fcc.gov/>)

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