

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

In the Matter of

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Federal-State Joint Board on
Universal Service

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CC Docket No. 96-45

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ORDER

Adopted: December 14, 2000

Released: December 21, 2000

By the Commission:

1. By this Order, the Commission asks the Federal-State Joint Board on Universal Service (Joint Board) to review the definition of universal service and to review Lifeline and Link Up service for all low-income customers. Among other things, section 254 of the Communications Act codified the Commission's longstanding commitment to ensuring the preservation and advancement of universal service in rural, high-cost, and insular areas.¹ Pursuant to section 254, the Commission convened a Joint Board. After reviewing the Joint Board's recommendations, the Commission adopted the *First Report and Order* which, among other things, designated the "core" services eligible for high-cost and low-income universal service support.² Specifically, based on consideration of the four criteria set forth in section 254(c)(1), the Commission designated the following "core" services: single-party service; voice grade access to the public switched telephone network; Dual Tone Multifrequency (DTMF) signaling or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll limitation services for qualifying low-income consumers.³ The Commission expressed its intention to "convene a Federal-State Joint Board no later than January 1, 2001, to revisit the definition of universal service, as section 254(c)(2) anticipates."⁴

2. In addition, in the *Twelfth Report and Order*, the Commission asked the Joint Board, in connection with its review of the definition of supported services, to issue a recommendation as to whether

¹ 47 U.S.C. § 254, added to the Communications Act of 1934 (47 U.S.C. §§ 151, *et seq.*) by the Telecommunications Act of 1996, Pub. L. No. 104- 104, 110 Stat. 56.

² *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8807-36 (released May 8, 1997) (*First Report and Order*) (subsequent history omitted); *see* 47 U.S.C. § 254(c)(1). Pursuant to section 254(c)(3) of the Act, the Commission may designate for support additional services not included in the core services designated under section 254(c)(1) for schools, libraries, and health care providers. 47 U.S.C. § 254(c)(3); *see First Report and Order*, 12 FCC Rcd at 8811, n. 93, 9003, 9093.

³ *Id.* at 8807-25; *see* 47 U.S.C. § 254(c)(1)(A)-(D).

⁴ *First Report and Order*, 12 FCC Rcd at 8834-35. Section 254(c)(2) provides that "[t]he Joint Board may, from time to time, recommend to the Commission modifications in the definition of the services that are supported by Federal universal service support mechanisms." 47 U.S.C. § 254(c)(2). The Commission adopted a "periodic" approach to reviewing the definition of universal service as "a reasonable balance between too frequent reviews, which could cause unnecessary expenditure of resources, and sporadic evaluation, which may not produce a definition of universal service that is consistent with the principles enumerated in section 254(b) and does not reflect the definitional criteria of section 254(c)." *First Report and Order*, 12 FCC Rcd at 8835.

intrastate or interstate toll services or expanded area service should be included within the list of supported services.⁵ We also asked the Joint Board to consider the advisability of including prepaid calling plans within the definition of supported services.⁶

3. Consistent with our determination in the *First Report and Order* and the *Twelfth Report and Order*, we now request the Joint Board to review the definition of the “core” services supported by the Commission’s high-cost and low-income universal service support mechanisms under section 254(c)(1) of the Act.⁷ We anticipate that the Joint Board will seek public comment on whether modifications to the definition are warranted and, if so, what the modifications should be and provide a recommended decision to the Commission. As required by section 254(c)(1), the Joint Board should analyze the extent to which the services under consideration “(A) are essential to education, public health, or public safety; (B) have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers; (C) are being deployed in public telecommunications networks by telecommunications carriers; and (D) are consistent with the public interest, convenience, and necessity.”⁸ The Joint Board also should address the implications of any proposed modifications in terms of section 214(e) of the Act, which requires carriers to provide each of the supported services to be eligible for universal service support.⁹ In addition, the Joint Board should consider as part of its review the comments received by the Common Carrier Bureau on requests to redefine “voice grade access” for universal service purposes.¹⁰

4. In addition, we ask the Joint Board to undertake a review of Lifeline and Link Up service for all low-income customers, including a review of the income eligibility criteria. In the *Twelfth Report and Order*, we stated our intent to examine, in consultation with the Joint Board, possible revisions to section 54.409 of the Commission’s rules to provide for self-certification based solely on income level.¹¹

⁵ *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12238 (2000) (*Twelfth Report and Order*).

⁶ *Id.* at 12238 n. 153.

⁷ 47 U.S.C. § 254(c)(1). We do not at this time intend to review the services supported for schools, libraries, and health care providers pursuant to section 254(c)(3). *See supra*, n. 2. In addition, we note that we do not intend to consider the creation of new universal service mechanisms to promote broadband deployment until the completion of our current work on the high-cost mechanism for rural carriers. *See Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, CC Docket No. 98-146, Second Report, FCC 00-290 (released August 21, 2000), at paras. 8(4), 267.

⁸ 47 U.S.C. § 254(c)(1)(A)-(D).

⁹ *Id.* at § 214(e)(1)(A).

¹⁰ *See Common Carrier Bureau Seeks Comment on Requests to Redefine “Voice Grade Access” for Purposes of Federal Universal Service Support*, CC Docket No. 96-45, Public Notice, DA 99-2985 (released December 22, 1999). We note that the Joint Board is currently considering the Rural Task Force Recommendation concerning the high-cost mechanism for rural carriers, including the recommendation that the list of core services “should evolve to include access to information services at a rate that is reasonably comparable to that provided in urban areas.” *See Letter of William R. Gillis, Chair, Rural Task Force to Magalie Roman Salas, Secretary, Federal Communications Commission*, CC Docket No. 96-45 (September 29, 2000) (RTF Recommendation).

¹¹ *Twelfth Report and Order*, 15 FCC Rcd at 12247; *see* 47 U.S.C. § 54.409.

We ask the Joint Board to consider this issue, among others, in its review of Lifeline and Link Up service.

5. Accordingly, IT IS ORDERED, pursuant to sections 1, 4(i) and (j), 254, and 410(c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 254, and 410(c), that this Order is adopted.

6. IT IS FURTHER ORDERED, pursuant to sections 1, 4(i) and (j), 254, and 410(c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 254, and 410(c), that the Federal-State Joint Board on Universal Service is requested to review the definition of the services supported by the Commission's high-cost and low-income universal service support mechanisms under section 254(c)(1) of the Act.

7. IT IS FURTHER ORDERED, pursuant to sections 1, 4(i) and (j), 254, and 410(c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 254, and 410(c), that the Federal-State Joint Board on Universal Service is requested to review Lifeline and Link Up service for all low-income customers.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas
Secretary