Before The FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
Federal-State Joint Board on)	
Universal Service)	CC Docket No. 96-45
1998 Biennial Regulatory Review -)	
Streamlined Contributor Reporting)	
Requirements Associated with)	
Administration of Telecommunications)	CC Docket No. 98-171
Relay Service, North American Numbering)	
Plan, Local Number Portability, and)	
Universal Service Support Mechanisms.)	
11)	
Telecommunications Services for)	
Individuals with Hearing and Speech)	
Disabilities, and the Americans with)	CC Docket No. 90-571
Disabilities Act of 1990.)	
)	
Administration of the North American)	
Number Plan and North American)	CC Docket No. 92-237
Numbering Plan Cost Recovery)	NSD File No. L-00-72
Contribution Factor and Fund Size.)	
)	
Number Resource Optimization)	CC Docket No. 99-200
1)	
Telephone Number Portability)	CC Docket No. 95-116
ı)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

COMMENTS OF THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

Executive Summary

The National Association of State Utility Consumer Advocates

("NASUCA"), presents these comments on the universal service contribution

mechanism. NASUCA submits that major structural changes to the contribution

mechanism are not necessary. Minor changes are feasible. Further, a connection-based

mechanism -- as proposed by those who would benefit from such a change -- conflicts

with the statutory provisions for the mechanism. A connection-based mechanism

inequitably places the same burden of contribution on those who do not use the interstate

network as on those who are heavy users of the network.

There are also better ways to address consumer confusion that may arise under the

current mechanism. Consumer safeguards, such as uniform labeling and a bill-and-remit

system, must be a part of any contribution mechanism.

Introduction

In a Further Notice of Proposed Rulemaking released February 26, 2002 and

published in the Federal Register on March 13, 2002 ("FNPRM"), the Commission noted

that trends in the telecommunications marketplace could erode the contribution base for

the Commission-ordered universal service fund ("USF"). FNPRM, ¶ 1. As part of its

¹ NASUCA is an association of 42 consumer advocates in 40 states and the District of Columbia. NASUCA's members are designated by the laws of their respective states to represent the interests of utility consumers before state and federal regulators and in the courts. See, e.g., Chapter 4911, Ohio Rev. Code.

proceeding to revisit the contribution mechanism, the Commission requested comments on:

- Whether to assess contributions based on the number and capacity of connections provided to the public network. Id., ¶ 2.
- Whether a connection-based assessment would ensure the long-term stability and efficiency of the contribution system in a dynamic telecommunications marketplace. *Id.*
- Other reforms to the contribution process. *Id.*²

NASUCA's comments address each of these points. First, however, NASUCA demonstrates that interstate revenues, on which USF contributions should be assessed, are not "eroding," but growing. If the "contribution base" were found to be eroding, that would be the result of an inadequate mechanism, not an inadequate source of revenues.

The Commission stated that its "primary goal in considering possible reforms of the current assessment system is to ensure the stability and sufficiency of the universal service fund and the marketplace continues to evolve." *Id.*, ¶ 15. The requirement of sufficiency is statutory; another equally important statutory requirement is that **all** interstate carriers contribute to universal service in an equitable manner. See 47 U.S.C. § 254(d).³

² The Commission acknowledges the need to refer these issues to the Federal-State Joint Board on Universal Service. FNPRM, \P 30.

³ In another Notice of Proposed Rulemaking in 96-45 (FCC 02-41), the Commission is currently considering, *inter alia*, the definition of "sufficient" as used in § 254(d).

A. Interstate revenues are not shrinking.

1. Table 1 shows that, from the first quarter of 1999 to the second quarter of 2002, more than three years, the contribution base actually used to calculate the USF contribution factor showed fluctuations, but these fluctuations do not reflect any statistically significant decrease or increase.

Table 1

	Contribution base (a) (in billions)	Total USF Need (b) (in billions)	Contribution Factor (c)	
2nd qtr. 2002	19.03	1.39	0.072805	
1st qtr. 2002	20.25	1.38	0.068086	
4th qtr. 2001	19.40	1.34	0.069187	
3rd qtr. 2001	19.94	1.37	0.068941	
2nd qtr. 2001	20.30	1.40	0.068823	
1st qtr. 2001	20.26	1.35	0.066827	
4th qtr. 2000	20.96	1.19	0.056688	
3rd qtr. 2000	20.20	1.12	0.055360	
2nd qtr. 2000	19.38	1.11	0.057101	
1st qtr. 2000	18.96	1.11	0.058770	
4th qtr. 1999	18.91	0.55	0.028872	
3rd qtr. 1999 (e)	18.99	0.56	0.029382	
2nd qtr.1999 (e)	18.31	0.56	0.030538	
1st qtr. 1999 (e)	18.35	0.58	0.031833	

⁽a) - Quarterly Contribution Base (after 1% uncollectibles are removed)

Source: Contribution Factor Public Notices.

⁽b) - Total Program Collection

⁽c) - cost/revenues

⁽e) - In these Public Notices, separate revenues, needs and contribution factors were stated for the schools & libraries programs and for the high cost & low income programs; the high cost & low income piece is shown here.

Indeed, the Commission itself notes that after the decline in 4Q01 from 3Q01, there was an increase in 1Q02.⁴

When reviewed on an annual basis, there has been no downward trend in the contribution base:

Table 2

Year	Contribution base (in billions)	Total USF need	
2001	79.9	5.46	
2000	79.5	4.53	
1999	74.6	2.25	

During this period the contribution base has grown (by 7%), but the USF has grown by 243%.

- 2. The Commission also mentions declines in some IXCs' revenues, with the two largest carriers seeing fewer revenues. FNPRM, ¶ 7. Yet the third largest carrier saw increased revenues. *Id.*, n. 12. According to the publicly available information, however, total aggregate IXC interstate revenues have not declined.
- 3. The Commission's report *Trends in Telephone Service* (August 2001), Table 10.2, presents total interstate toll revenues. This shows a continuing increase since 1988. The last five years are shown in the following table:

⁴ FNPRM, ¶ 5, n.15. The reports for each quarter are based on historical revenues two quarters old; hence the \$19.026825 billion reported in 2Q02 was received in 4Q01.

Table 3

Year	Interstate Toll Revenue (millions)
2000 (a)	\$55,246
1999	\$54,306
1998	\$48,100
1997	\$47,716
1996	\$42,823
1995	\$39,903

(a) Source: 2000 total toll revenue

[Telecommunications Industry Revenues 2000 (January 2002), Table 2] * 1999 interstate toll as % of total toll [Trends in Telephone Service (August 2001), Table 10.2]

Interstate toll revenue has *not* decreased in this time frame.

- 4. Further, it is important to recognize that even if overall IXC interstate toll revenue *had* declined, this would mean only that the IXCs' share of the expanding interstate market has declined.⁵ As the FNPRM notes (at ¶ 11), interstate wireless usage is booming.
- 5. For USF purposes, however, the increases in interstate revenues for wireless carriers have been obscured by the Commission's safe harbor provisions, which set wireless carriers' putative interstate revenues at 1-15% of their total revenues.

FNPRM, ¶ 28. This continued restriction on the contribution of wireless carriers is

⁵ The Commission notes three causes for the supposed decline, yet none of the three shows the need for a major restructuring of the USF contribution mechanism: 1) "migration to new products and services" (unless these new products and services are not currently assessed, there should be no impact on the fund; if the new products and services are not assessed, they should be); 2) "local exchange carrier entry into the long distance market" (does not reduce overall interstate revenue) and 3) "related price competition" (this will have an impact only if the reduction outstrips the increase in traffic).

inconsistent with the "significant migration of interstate telecommunications revenues from wireline to mobile wireless providers" that the Commission identifies. Id., ¶ 11.

- 6. Indeed, there is no suggestion of a decline in total interstate **traffic**, whether wireless or wireline. According to the Commission's *Trends in Telephone*Service (August 2001), Table 11.3, interstate switched access minutes have increased every year since 1985, with a 21.2% increase over the five years 1996-2000.
- 7. Finally, total interstate revenues are also increasing. *Telecommunications Industry Revenues 2000* (January 2002), shows that year-by-year, growth is continuing.⁷

Table 4

Year	Total	Increase from previous		
	Interstate/International	year		
	Revenue (millions)	-		
2000	\$119,745	7.5%		
1999	\$111,293	6.7%		
1998	\$104,284	6.9%		
1997	\$97,514	3.3%		
1996	\$94,407	9.5%		

8. Given that the overall interstate revenue base on which USF is assessed is *not* decreasing, it appears that the Commission is incorrect in its estimation that there are problems with the current revenue-based mechanism sufficient to require significant restructuring. The correct tack to maintain the USF is to ensure that all sources of

⁶ The solution to the current inadequate assessment level for wireless traffic is thus not moving to a connection-based mechanism. The solution is to ensure that wireless carriers are properly assessed on an equitable and non-discriminatory basis under the *current* mechanism as required by § 254(d) of the Act.

⁷ See Table 2 in *Telecommunications Industry Revenues 2000* (January 2002).

interstate traffic are assessed. Thus if less contribution is coming from IXCs, more contribution should be coming from the RBOCs, wireless and other providers of interstate telecommunications services.

- 9. The Commission discusses "voice over Internet protocol" ("VoIP") as a threat to the "overall amount of assessable revenues reported under the current system." FNPRM, ¶ 13. The threat, which the General Accounting Office describes as "not immediate ... but ... long-term" (*id.*, n. 32) actually depends on the Commission's decisions on how to classify such traffic, whether as a telecommunications service or an information service. Thus the Commission has ultimate control over the extent to which providers of VoIP contribute to federal universal service support mechanisms.
- 10. It may be true that "market-place developments have blurred the distinctions between interstate/intrastate and telecommunications/non-telecommunications revenues." *Id.*, ¶ 12. This "blurring" cannot obscure the legal reality that the FCC's assessment for the interstate USF can be assessed only on providers of interstate -- and international -- services. *Under the current law*, as discussed below, there will always need to be an allocation between the inter- and the intrastate jurisdictions. Further, any blurring of distinctions between "local" service and "long distance" service in the future will not impact this legal obligation.
- 11. It should be clear that the past increases in the USF contribution factor have primarily been the result of increases to the size of the fund as a whole. Past Commission decisions on schools and libraries funding, high-cost model support, CALLS and the MAG plan have more than doubled the size of the USF since 1999. See Table 1,

supra. In the FNPRM, the Commission states that it is seeking stability in the universal service mechanism. FNPRM, ¶ 17. It should be clear that no mechanism can provide stability unless there is stability in the size of the USF. 8 Once again, this is a matter that is within the control of the Commission.

B. The shift to a connection-based mechanism inequitably places contribution responsibility on access to interstate service, rather than on usage of interstate service.

12. The Act directs that

[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and non-discriminatory basis, to the specific, predictable, and sufficient mechanism established by the Commission to preserve and advance universal service.

47 U.S.C. § 254(d). The current mechanism, based on interstate revenues, assesses carriers based on the amount of money they receive from providing interstate services. The connection between interstate service and USF assessment is clear. The current revenue-based mechanism is, in concept, both equitable and non-discriminatory, and has been upheld by the courts. See *TOPUC v. FCC*, 183 F.3d 393, 426-430 (5th Cir. 1999).

⁸ As a more productive avenue of inquiry, for example, the Commission has never truly examined the extent to which the amounts contained in the high-cost USF (e.g., the \$650 million from CALLS) actually result in affordable rates that are reasonably comparable between urban and rural territories.

⁹ An alternate mechanism could be based on interstate MOU (X¢ per MOU) rather than the current % per \$ of interstate revenue. This would ensure equal treatment for interstate traffic regardless of the price the IXCs, the ILECs or wireless carriers charged for it.

¹⁰ There are changes discussed here that would make the current mechanism more equitable and less discriminatory, principally by effectively assessing wireless carriers' interstate revenues.

- 13. The Commission seeks comment on the adoption of a "connection-based" contribution mechanism. A connection-based mechanism ("CBM") should actually be termed an access-based mechanism ("ABM"), because it assesses consumers equally based on the *capability* to produce interstate revenues for carriers, rather than the usage of those carriers' services. The adoption of an ABM because of difficulties with identifying interstate revenues (FNPRM, ¶ 12) is not justified.
- 14. A connection-based universal service connection mechanism would add to the long list of unavoidable surcharges that must be paid by consumers. First among these, of course, is the subscriber line charge ("SLC"). Two years ago, in the CALLS Order, the Commission decided that costs of the loop that had previously been paid by IXCs should instead be paid by end users through a uniform unavoidable charge. ("Unavoidable" means that a customer's failure to pay would result in a disconnection of all telephone service -- local and long distance.)
- 15. NASUCA continues to believe that that Commission decision violated the prohibition in 47 U.S.C. § 254(k) against basic service bearing more than a reasonable share of the joint and common costs of the telephone network. The Commission felt otherwise (see *CALLS Order*) and two Circuit Courts of Appeal have deferred to the Commission's judgment. The Commission's judgment.

¹¹ Access Charge Reform, CC Docket Nos. 96-262 and 94-1, et al., Sixth Report and Order, 15 FCC Rcd. 12962 (2000) ("CALLS Order").

¹² See *NASUCA v. FCC*, Sup. Ct. Docket No. 01-968. "Basic" service is used here for those services that are to be supported by the USF pursuant to 47 U.S.C. § 254(c)(1).

¹³ *TOPUC v. FCC*, 265 F.3d 313 (5th Cir. 2001); *Southwestern Bell Telephone Co. v. FCC*, 153 F.3d 523 (8th Cir. 1998).

- 16. Yet the USF is also part of the joint and common costs of the telephone network. A carrier's USF contribution is as much a part of the carrier's overhead as taxes, franchise fees, and other regulatory costs. The Commission's proposed connection-based universal service support mechanism places those costs entirely on basic service.
- 17. Even if the CBM does not violate § 254(k), as shown below it violates § 254(d), by relieving IXCs of responsibility for universal service funding. As also shown herein, a CBM is not needed to ensure the stability and sufficiency of the USF.
- 18. The Commission asked for comment on a connection-based mechanism in the May 8, 2001 NPRM (at ¶ 25), among a long list of other items. The FNPRM gives no indication why the Commission has now seized on the single alternative of a CBM -- and one which has specific rates attached to it -- compared to all the other solutions provided by commenters. FNPRM, ¶ 29. This is especially troubling given how substantial the change is, the lack of factual basis (as discussed above), and the legal problems just discussed.

C. The IXCs that support a CBM would be relieved of funding responsibility under the CBM.

19. The proposed CBM allows IXCs, which remain the predominant carriers of interstate traffic, to evade almost all responsibility to contribute to universal service, contrary to § 254(d). As the FNPRM states (at ¶ 36), IXCs "would contribute for multiline business connections, such as special access, they provide to end users." That would be the extent of the IXCS' responsibility for the USF under the proposed CBM. Thus the only IXC funding responsibility would be where IXCs are acting more like local carriers

than interexchange carriers. This is equally true where the IXCs are providing service "as CLECS...." *Id*. This approach ignores the significant level of interstate long distance service otherwise provided by the IXCs.¹⁴

20. Under the Commission's proposal, an IXC that was providing only interexchange service, and neither acted as a CLEC nor provided special access to business customers, would be absolved of any responsibility to fund universal service. Even though that IXC is without doubt a telecommunications carrier that provides interstate telecommunications service, under the CBM it would avoid paying anything to support federal universal service programs by providing only interstate long distance service. This would explicitly violate § 254(d), which requires "every telecommunications carrier that provides interstate telecommunications service" to contribute to the USF.

- D. The record does not contain adequate information about changes in USF responsibility under the CBM proposal in order to assess its reasonableness.
- 21. The following table shows, by class, the current funding responsibilities for the USF and those that would apply under the CBM proposal.

the switch to a CBM.

¹⁴ The Commission relies heavily for the CBM on an *ex parte* filing of the so-called "USF Coalition." See, e.g., FNPRM footnotes 38, 74, 76, 85, etc. This coalition consists of AT&T, WorldCom and the e-commerce Telecommunications Users Group. AT&T and WorldCom will be the principal beneficiaries of

Table 5

Category	Lines	Current	Current	% of	Proposed	Proposed	% of
	(000)	USF	USF	total	USF rate	USF	total
	(a)	payment	Revenue			Revenue	
		(b)	(in			(in	
			millions)			millions)	
			(c)				
Residence	124,623	\$1.29	\$1,929	35%	\$1.00	\$1,495	27%
Business	4,437				\$1.00	\$52	1%
Wireless	109,478	\$0.46	\$604	11%	\$1.00	\$1,314	24%
Pagers	43,406	\$0.07	\$36	0.7%	\$0.25	\$130	2%
Multi-line	67,100				\$3.12 (d)	\$2,510	46%
business							
Total			\$5,500	100%		\$5,500	100%
USF							

- (a) As of 2000
- (b) See NPRM ¶ 59; no figures are provided for single-line and multi-line business.
- (c) Annual for year 2001.
- (d) Calculated as residual. 15

22. The blanks in the chart for the level of current USF funding for single-line and multi-line business are troubling, and should be developed by Commission staff as the other classes were. Between them, however, business lines currently bear \$2.931 billion of the total fund. The wireline business class would save more than \$400 million under the Commission-proposed CBM, and residential wireline customers would save about the same amount.

¹⁵ There has been no explanation of why multi-line business should be treated as a residual amount. The industry has continually argued that treatment of residential service as the residual in local rate cases has led to the subsidization of residential customers by other services.

¹⁶ That is, \$5,500M - \$1,929M - \$604M - \$36M = \$2,931M.

- 23. The principal interclass impact of the Commission's proposal is the increased responsibility of wireless service for universal service funding. As discussed above, an increase in the USF responsibility of wireless carriers is appropriate given the increasing interstate usage of wireless service. Yet achieving an appropriate level of contribution from wireless carriers clearly does not depend on the structural change to the mechanism represented by the Commission's per-line proposal.
- 24. Further, the "current USF payment" numbers are averages for each class, which heightens the concern over the shift from a revenue-based mechanism to a CBM. The \$0.29 overall decrease for residential customers actually would translate to approximately \$0.50 per month increase for residential customers who use **no** interstate services, a \$0.15 increase for low users, a \$1.04 **decrease** for medium users, and a \$5.77 monthly **decrease** for heavy long distance users. This represents a substantial and inappropriate shift in revenue responsibility among members of the residential class, requiring those who use no interstate services to contribute the same amount as heavy users of interstate services.
- 25. The purpose of the federal universal service programs is to promote access to the telephone network throughout the nation. Customers who use the interstate network benefit from the ubiquitous network more than customers who do not. It is reasonable and equitable for those who use the network more to contribute more to federal universal service support.

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 $^{^{17}}$ Assumes a local carrier assessment of 50ϕ and an 11% universal service assessment on a \$3.00 interstate long distance bill for low users, a \$14.00 bill for medium users and a \$57.00 bill for heavy users. The amounts are estimates for illustrative purposes.

D. Other Problems

- 26. Under the Commission's proposal, increases in the USF would lead to increases in per-line assessments, unless the growth in lines is greater than the growth in the size of the fund. The next such increase in the USF will occur later in 2002, resulting from the MAG Order. Future increases in the USF would result in additional increases in the per-line assessment. Notably, such increases in a per-connection mechanism will exacerbate the burden on residential customers who use little or no interstate services. ¹⁹
- 27. The Commission previously rejected a per-line approach to assessments because "the need to establish line equivalency ratios would make such an approach difficult to administer...." FNPRM, ¶ 44.²⁰ Now, the Commission is proposing to base the per-connection approach on the maximum capacity of the connection." This is equally arbitrary.²¹

¹⁸ In the Matter of Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00256, Report and Order and Further Notice of Proposed Rulemaking, (rel. November 8, 2001), ¶ 128.

¹⁹ Unless the assessment is frozen for one class and allowed to "float" for the other class(es).

²⁰ The Commission's discussion of this issue overlooks its earlier finding that "a mandatory end-user surcharge for recovery of universal service contributions by telecommunications providers ... 'would dictate how carriers recover their contribution obligations and would violate Congress's mandate." *Id.*, ¶ 23, quoting the *Universal Service Order*, 12 FCC Rcd at 9210-11, ¶ 853. The connection-based mechanism is a mandatory end user surcharge.

²¹ As noted (*id.*) this is only an issue for multi-line business, and has little to do with the question of how much overall responsibility for the assessment is assigned to the multi-line business class. The Commission's earlier-rejected approach, although difficult, was a causation-based approach. The now-proposed CBM treats multi-line business as a residual, clearly an arbitrary allocation of responsibility.

E. The issue of customer confusion is a red herring.

- 28. The Commission identifies "mak[ing] the recovery process more understandable for consumers" as a potential benefit of a CBM. FNPRM, ¶ 17. Customers are in fact confused by the various methods that carriers use to recover their USF assessments under the current contribution method. NASUCA has previously suggested a way to deal with this confusion, by eliminating USF surcharges on customers' bills.
- 29. In Initial Comments filed in these proceedings on June 25, 2001, NASUCA proposed that the Commission should prohibit collection of USF through end user surcharges because surcharges are inherently confusing to consumers, are harmful to a competitive market, and are unnecessary. NASUCA Initial Comments at 7-17. NASUCA showed that the Commission has the legal authority to forbid such surcharges. *Id.* at 18-20. NASUCA continues to support the positions filed in June 2001.
- 30. The Commission now states that "eliminating some of the complexity involved with contribution recovery fees ... may make the recovery process more understandable for consumers." FNPRM, ¶ 17. Having the USF recovery process treated like the rest of the carriers' costs, i.e., **not** as a line item on the bill, makes the recovery process eminently understandable for consumers: They will comprehend that, like the company's taxes and the CEO's salary and all the carriers' other costs, the USF costs are included in the end user rates that the carrier charges.
- 31. The current revenue-based mechanism means that wireline customers see one universal service assessment from their local carrier, and may see one from their

IXC.²² With the CBM, wireline customers will continue to see an assessment from the local carrier. The combining of two assessments into one does not automatically increase customer understanding of what the assessment is for, how it is calculated, and what the consequence of nonpayment may be. Any gain in understanding will surely be surpassed by the increase in *mis*understanding among customers who use no interstate services but now will see an increased federal assessment on their local service bill.

- 32. It is true that customers are confused over the differences among carriers for the current assessment mechanism. Id., ¶ 18. Yet as noted by NASUCA, the best way to eliminate carriers' gaming the USF charge is to forbid them from having a separate line item charge.
- 33. If line item charges are allowed -- they should not be mandated -- the Commission should ensure maximum customer understanding first by requiring a uniform term to describe the line item. "Federal universal service fee" should suffice. FNPRM, ¶ 108. Further, carriers should be forbidden from including any costs other than amounts paid to the USAC for the USF in the "universal service payment" line item. ²³ FNPRM, ¶¶ 101-102. These policies should apply to any USF mechanism, including a CBM.

 22 If a customer has different inter- and intraLATA IXCs, universal service assessments may come from both.

²³ Carriers should not be permitted to avoid imposing the USF charge on any class other than lifeline customers. Imposing USF charges on lifeline customers cancels out the lifeline benefit already paid by the USF. On the other hand, allowing any other group of customers to avoid paying a USF surcharge is unfair to those customers who *are* required to pay a USF charge.

34. How these charges are labeled is an issue for the "Truth in Billing" part of this multi-docket proceeding. Further, the solution to carrier dissembling about the sources of their rates is to require truthful disclosure. The solution is **not** to take the burden of collecting these costs off the backs of the carriers that still carry most of the traffic.

Conclusion

Assurance of continued sufficient USF funding (FNPRM, ¶ 15) has little to do with the structure of the collection mechanism. The Commission proposal itself does not ensure adequate funding; nothing about the current structure makes adequate funding more difficult.

There is no need for the adoption of a connection-based USF contribution mechanism at this time. The current mechanism should be improved to ensure that all interstate services that are not *de minimis* are assessed to support universal service on an equitable and non-discriminatory basis. The current mechanism should also forbid line item USF charges; if this is not done, effective disclosure requirements must be adopted. Effective disclosure is also necessary under a connection-based mechanism.

If in the future the burden on customers from the current mechanism becomes unreasonable, either from a decrease in the interstate revenue base or from increased needs of the fund, the Commission may consider switching to a different mechanism.

That different mechanism -- whether or not connection-based, such as currently proposed by the Commission -- 1) should ensure that the broadest possible contribution base is

used; 2) should not allow any sector of the industry to avoid contribution responsibility; 3) should not unduly burden any segment of any class of customer; and 4) should be capped, for residential wireline customers at least, for five years in order to achieve funding stability.

Respectfully submitted,

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