



# OFFICE OF ADVOCACY *FACTSHEET*

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## ***Advocacy Asks FCC to Consider Impacts of and Alternatives to Universal Service Proposal***

On September 21, 2004, the Office of Advocacy (Advocacy) filed a reply comment with the Federal Communications Commission (FCC) on a proposed rule that would limit Universal Service support to primary telephone lines. Advocacy recommended that the FCC further analyze the regulatory alternatives and determine how alternatives could reduce the economic impact on small telecommunications carriers. A complete copy of Advocacy's letter may be accessed at <http://www.sba.gov/advo/laws/comments/>.

- The principle of Universal Service is intended to ensure that all areas of the nation have comparable access to telecommunications services at comparable rates. Congress established the Universal Service Fund to provide the necessary resources to reach this goal. As a way of preserving the long-term viability of the Universal Service Fund, the FCC is seeking comment on a recommendation by the Federal-State Joint Board on Universal Service. The Joint Board's proposal would limit Universal Service support to a single connection (called a primary line) per household or business that provides access to the public telephone network.
- The FCC issued an initial regulatory flexibility analysis as part of its Notice of Proposed Rulemaking, but the IRFA does not adequately analyze the impact on small telecom carriers of restricting Universal Service support to primary lines.
- Advocacy recommends that the FCC further analyze the alternative approaches recommended by the Joint Board and determine how the alternatives identified in the proposed rule and those suggested in the public comments could reduce the economic impact on small carriers.
- In addition to the analysis required by the RFA, Advocacy recommends that the Commission take the extra step of analyzing the impact of each regulatory alternative on small business end-users of telecom services due to the potentially significant impact on those entities in rural areas.
- The RFA and Executive Order 13272 require government agencies to thoroughly analyze the impact of proposed and final rules on small entities and consider less burdensome alternatives. Advocacy's comment encourages the FCC to perform additional analysis consistent with the requirements of the RFA and EO 13272.

For more information, visit Advocacy's website at <http://www.sba.gov/advo/> or contact Eric Menge at (202) 205-6533.