

Advocacy Submits Comment on the FCC's Notice of Proposed Rulemaking on Universal Service Reform

On May 19, 2008, The Office of Advocacy of the U.S. Small Business Administration ("Advocacy") filed a letter with the Federal Communications Commission ("FCC" or "Commission") in response to the Commission's request for comment on the proposed rule for Universal Service Fund Reform. The proposed rule examines a number of different methodologies aimed at strengthening and sustaining the fund in order to provide quality telecommunications and information services to all areas of the United States. Advocacy's letter recommends that the FCC further investigate the economic impact of the rule on small entities.

- Advocacy urges the Commission to conduct a more thorough economic analysis of the impact that this rule will have on small telecommunications providers, and to specifically examine how the reverse auction rule and removal of the identical support rule will affect the smallest carriers. The reverse auction system has not been well tested, and Advocacy suggests that the FCC create a test area to better understand how this plan would affect small entities.
- Advocacy also recommends that the FCC consider adopting a numbers-based approach to ease the administrative burdens associated with the universal service contribution methodology. A more streamlined approach may ease the reporting requirements for small and large entities alike.

Information on the proposed rule can be found on the FCC website at: www.fcc.gov/cgb/ecfs/.

A complete copy of Advocacy's letter may be accessed at: <http://www.sba.gov/advo/laws/comments/>.

For more information, visit Advocacy's website at: <http://www.sba.gov/advo/> or contact Assistant Chief Counsel Cheryl Johns by e-mail at: cheryl.johns@sba.gov, or by phone at: (202) 205-6949.