

Wireline Competition Bureau
2003 – 2004

Competition,
Broadband, and
Universal Service in a
Dynamic Marketplace



Strategic Goals

- Broadband
 - Economic Growth
- Competition
 - Universal Service
- Homeland Security
- Modernize the FCC

Broadband

- Voice over the Internet
 - December 1, 2003 Forum
 - Internet Policy Working Group
- Triennial Review Order
- Broadband Data Collection
- Other Broadband Dockets

Competition

- Markets Opening, Competition Increasing
 - Intermodal Local Number Portability
 - Joint item with WTB
 - TELRIC Notice/Triennial Review Order
 - Section 271 Applications
- Economic Development Boosted

Competition

- First Phase of Section 271 Work Completed
 - January 15, 2003
 - 35 states approved / markets open
 - 75% of RBOC access lines
 - January 15, 2004
 - All eligible states and D.C. approved / markets open
 - 100% of RBOC access lines open to competition

Competition Universal Service Advanced

- Contribution Factor Down to 8.7% from High of 9.5%
- E-Rate and Support Portability Forums
- Schools and Libraries Reform
- Rural Health Care
 - New rules spur economic development
 - Nearly 2x money committed in FY '02 as FY '00
- New Framework for Portability of Support
- Ongoing Fed-State Joint Brd Coordination

Competition

Universal Service Advanced

- Highest-Ever Level of Telephone Penetration in Households: 95.5%
 - Penetration in American Indian Reservations: Progress, But More Needed
 - 1990 Census: 46.6%
 - First Tabulation based on 2000 Census: 67.9%
- Highest-Ever Level of Internet Access in Public Schools: 99%
- Highest-Ever Level of Internet Access in Public School Instructional Rooms: 92%

Homeland Security A WCB Priority

- Communications Assistance for Law Enforcement Act
- Rural Health Care
- Homeland Security Policy Council Participation
- Service Continuity

Homeland Security

■ Emergency Preparedness

- August 14, 2003 power blackout
- 50 million without power
- Coordinated FCC/OET/WCB Response
- OET/NRIC: promoting “best practices”

■ Wireline Network Worked

- Handled 300% call volume increase
- Public payphones to the rescue
- Hurricane Isabel

■ Section 214 Process

Homeland Security



AP/Wide World Photos

- Power Emergency: Payphones at Work
- Payphone Items
 - Tollgate Order
 - Dial-Around Compensation NPRM

Modernize the FCC

WCB Accomplishments

- 177 Orders and Proposed Rulemakings
 - Including 75 Commission-level items
- Promoted Competition
 - Released 108 Orders and NPRMs
- Advanced Universal Service
 - Released 68 Orders and NPRMs, 166 E-Rate Appeals/Waivers, and 1 Joint Board Recommended Decision
- Protected Service Continuity
 - Addressed 96 Section 214 Applications, including 28 bankruptcies (51% fewer bankruptcies than last year)
- 1309 Tariffs Filed
- 242 Congressional Letters Issued

Modernize the FCC WCB Accomplishments

- Monitored a Dynamic Market
 - Released 20 Statistical Reports
 - Conducted 2 staff studies
- Electronic ARMIS Initiative
 - Eliminated all paper and diskette filings
 - ILECs can file ARMIS data over Internet
 - Public can access, download filed data
 - 10% increase in ARMIS filings in 2003

Modernize the FCC Increased WCB Efficiency

- 75% Reduction in Backlog since July
- Staff Decreased
 - 16 Fewer Attorneys, Economists, Technical and Administrative Staff (7% Decrease)
- Work Load / Productivity Increased
 - 29% More Agenda Items
 - 33% More Statistical Reports

WCB Challenges for 2004 and Beyond

- Broadband: Tackle VoIP and wireline broadband
- Competition: Address network pricing
- Competition and Homeland Security: Promote universal service; keep reforming administration – rural health care, E-rate
- Competition: Consider pending forbearance petitions

WCB Challenges for 2004 and Beyond

- Modernize the FCC: Continue backlog reduction efforts
 - Target: No backlog greater than 30 months by year's end
- Modernize the FCC: Improve staff workplace and quality of life