



## **Universal Service Principles**

### **Balancing Universal Broadband and an Appropriately Sized Connect America Fund**

- Cox has historically and currently participates fully in the Universal Service Fund, receiving limited High Cost Fund dollars and Lifeline in parts of our service territory. Our consumers also participate fully as contributors to the fund.
- The FCC should design different frameworks for areas currently unserved by broadband as defined by the agency, and areas currently underserved or served.
- The FCC's goal of making broadband available to all Americans with the initial broadband definition of 4 mbps download and 1 mbps upload is reasonable and achievable.
- Unlike telephony services currently supported, broadband service is by definition dynamic; therefore, the FCC should revisit the definition of broadband periodically to ensure that its high-cost support mechanism enables the broadband speed necessary to meet the needs of consumers.
- The FCC should ensure the Connect America Fund ("CAF") is appropriately sized to achieve its purpose without unduly burdening consumers.
- High –cost support should be targeted to geographic areas that are not technology-specific (e.g. wire centers) and small enough not to be a barrier to entry for wired facilities-based providers.
- Industry and Regulators need to focus on the end game for USF reform. Creating one-offs to address short-term transitional pain will risk frustrating long-term goals that will benefit consumers and create opportunities to game the system.
- Reforms must be competitively and technologically neutral.
- State and federal regulators must work together to ensure a uniform system of reform.
- Efforts must also include programs focused on broadband adoption and efforts to assist consumers in gaining access to the benefits of broadband.

## **Intercarrier Compensation Reform**

- Technology and shifts in consumer uses and habits have created the need for reform to a system that is badly broken today
- Phantom traffic and traffic pumping need to be address now!
- Long-term ICC reform must work toward delinking payments between carriers from Universal Service. No longer should ICC be an implicit subsidy not related to that actual costs incurred by carriers in handling each other's traffic.
- To eliminate opportunities for arbitrage must work toward a unified rate
- Any transitional or access replacement mechanisms must be competitively neutral and carriers drawing from the funds need to justify their costs before being allowed to draw from the funds.