



April 7, 2005

VIA AIRBORNE EXPRESS & ELECTRONIC FILING

Ms. Luly E. Massaro
Division Clerk
Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket No. D-05-10 - In Re Rules and Regulations Governing the
Telecommunications Education Access Fund Required
Under R.I.G.L. § 39-1-61

Dear Ms. Massaro:

Cox Rhode Island Telcom, L.L.C. ("Cox") respectfully submits this letter in the above-referenced docket regarding the proposed Rules and Regulations Governing the Rhode Island Telecommunications Education Access Fund ("TEAF" or "Fund").

Cox agrees that the proposed regulations comply with Rhode Island General Law, Section 39-1-61, as amended, and go a long way toward satisfying the needs of many parties, including the Department of Education ("DOE"), Verizon, competitive local exchange service providers, and most importantly the students and library users throughout the state. Since its creation, the TEAF has provided valuable assistance to schools and libraries for use in acquiring, installing and utilizing new telecommunications technologies.

The proposed regulations will allow the Division, just as the Commission has in the past, to coordinate effectively with DOE to maximize the potential benefits to end users. Cox therefore limits its comments to a few issues that it believes will ensure the competitive neutrality of TEAF.

First, should the General Assembly change the amount of the surcharge, the proposed regulations would require all providers to begin to bill the revised rate within ninety (90) days from the date the General Assembly changed the amount of the surcharge.¹ While Cox can, in the normal course, comply with the proposed ninety (90) day time period, Cox suggests that the Division consider modifying the proposed rules to allow the

¹ Part III, Section 6.

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Division to grant a brief extension to a carrier facing unique billing system circumstances. Billing systems are complex and are constantly being updated and revised. Depending upon the timing of a particular change to the surcharge, a carrier might require an additional seven (7) to ten (10) days. Building into the regulations sufficient flexibility to accommodate unique situations, such as a carrier migrating from one billing system to another, would avoid the need to modify the regulations in the future.

Second, Cox remains concerned that wireless services are not being required to contribute to the TEAF; thereby, depleting the potential pool of available TEAF funds. In Rhode Island, wireless subscribers have grown approximately 17% for June 2004 vs. June 2003² and while the use of wireless is not replacing wireline services, wireless does represent a significant part of the telecommunications services available in the state. From a policy perspective, there is no reason why landline telephone service end users should be the only source of funding the TEAF. In addition, the level of the monthly surcharge and resulting burden on each individual end user would necessarily decrease if the funding burden were spread over a wider customer base. One way to accomplish this would be for the Division to advocate that wireless telephone service end users also contribute to the TEAF funding. Applying the existing \$.26 monthly surcharge to wireless subscribers, who currently pay nothing to support the state's schools and libraries via the TEAF, will help to shoulder the responsibility for funding this important program. Imposing a surcharge on landline customers, without levying any surcharge on wireless customers, would only serve to perpetuate further the competitive disadvantage that exists today for landline carriers while denying necessary contributions to the fund.

Third, "Telecommunications" is currently defined in Part II, Section 6 of the proposed regulations as "the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." While it would be reasonable to assume that the TEAF surcharge is intended to apply only to local telephone bills, just as does the E-911 surcharge, Cox would propose that the Division specify that the TEAF surcharge only applies to local telecommunication services.

Cox appreciates the opportunity to provide its comments in this docket. Should you have any questions, please contact me at 401.615.1588.

Sincerely,

Robert J. Howley
Director, Regulatory Affairs

² Federal Communications Commission Report, *Local Telephone Competition: Status as of June 2004*.