



WUTC – Review of State Universal Service Policies

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Goal: Universal Broadband Competition

- *Multiple broadband providers and technology platforms*
- **Competition** drives continual improvement
 - *Increasing Speeds*
 - *Examples thru history:*
 - *Telco Dial-up to DSL spurred by cable modem entry*
 - *3G, 4G mobile broadband race*
 - *Customer Service*
 - *Operational Efficiency*
 - *Increased value--consumer adoption*

Impediments to Universal Broadband Competition

- *High access charges*
 - *NBP commentary on the current system / impacts on broadband*
 - *Rates above incremental cost*
 - *Not designed to promote broadband deployment*
 - *Does not reflect today's technology and consumer behavior*
 - *Has fundamental problems that create inefficient incentives*
 - *Diverts investment away from more productive endeavors*
 - *Creates disincentives to migrate to all IP-based networks*
 - *Hinders the transformation of America's networks to broadband*
 - *Stalling the development of the broadband ecosystem*
 - *Hindering investment and introduction of new IP-based services*
 - *Rates for special access impact broadband in high-cost areas*
- *Federal and state USFs*

Any new support mechanism should:

- *Focus on consumers rather than carriers*
 - *Direct support to consumers*
 - *Directly encourages adoption*
 - *Promotes consumer choice*
 - *Minimize the “tax” burden on consumers*
 - *Narrowly targeted to meet real needs*
 - *Promote low-cost technologies*

New Washington State USF?

Better ways to address concerns

- *Recognize and encourage capability of telcos to reduce burden on other carriers/customers*
 - *Diversified business plans*
 - *Multi-service bundles, wireless, local, long-distance, features, high-speed internet, video entertainment*
 - *Rational retail service rates*
 - *Reduce operating costs*
 - *Operating efficiencies*
 - *Regulatory relief*