

AT&T South Carolina provides the following in response to your request for input on the requirements of the report due to the Public Utilities Review Committee (PURC) pursuant to Act 181.

The SC General Assembly and Public Service Commission recently took actions that:

- 1) capped the state USF and interim LEC Fund;
- 2) combined these two funds into a single (capped) fund;
- 3) expanded the funding base for the combined, capped fund to include wireless and VoIP providers; and
- 4) retained the flexibility to fund the state Lifeline program

The state USF was established to provide support for carriers of last resort. At the time the fund was established, all current recipients of cost-based (as opposed to Lifeline) state USF support reduced revenues in an amount equal to the amount of support they receive from the state USF. These current recipients remain carriers of last resort and, in AT&T's view, the need for the state USF remains at this time.

Existing state high-cost support mechanisms should not be transitioned to support broadband deployment, nor should new state broadband deployment support mechanisms be established at this time in light of the significant support for broadband deployment the FCC has made available through the Connect America Fund.

In light of the foregoing, AT&T is not advocating major changes to either the state high cost support fund or the current level of distributions at this time.

AT&T Contact responsible for response:

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