# A Study of Current Telecommunications Policy-making in the U.S. : The Case of Universal Service, in comparison with the Japanese case

by Shoko KIYOHARA*

## Introduction

*Universal Service Policy in the U.S. and Japan*

Universal Service has been considered one of the most important issues in the telecommunications field, all over the world. Today, the debate on reforming universal service in telecommunications policy is more and more controversial not only in the U.S. but also in Japan. What services should be considered as universal in the broadband age? What new technologies should be subsidized by the universal service fund? These are the common questions in both countries. However, the substance of the debate in Japan is significantly different from that in the U.S. This research examines what causes the differences in policy debate between two countries.

In the U.S., as mandated by the Telecommunications Act of 1996, the goals of universal service are "to promote the availability of quality services at just, reasonable, and affordable rates; increase access to advanced telecommunications services throughout the Nation; advance the availability of such services to all consumers, including those in low income, rural, insular, and high cost areas at rates that are reasonably comparable to those charged in urban areas (FCC website)." "Advanced telecommunications services" means high-speed broadband that can transfer voice, data, and video services. Although not all citizens in the U.S. receive the direct benefit of broadband access from the universal service fund, a number of schools and libraries in poor areas as well as rural health care providers get broadband access services at discounted rates. Therefore, many people can

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receive the indirect benefit through these public institutions, and it is obvious that the universal service support mechanisms in the U.S. are regarded not only as a telecommunications policy but also as a social welfare policy.

These are significant differences from the Japanese case. The beneficiaries of the universal service fund in Japan are quite limited and there is no special discounted program for low income or disabled consumers; neither is there support for education nor telemedicine purposes. The only goal under the current system is to compensate for and deficits incurred by NTT (Nippon Telegraph and Telephone) East and West (dominant incumbents for regional telephone services), which provide equal telephone services to subscribers in both urban and rural areas(MIC, website). In other words, the system supports only efforts to close the geographical divide. Voice communications divides caused by other factors such as income level are beyond the scope of universal service because it would then be considered a social welfare policy(MIC, 2007. 10. 2). Although Japanese policymakers are taking the market situation for broadband services into consideration when revising provide equal telecommunications access in both urban and rural areas, the Japanese policy debate still does not expand to help distance learning and telemedicine or other access problems caused by socioeconomic factors. It might seem odd that the universal service fund widely supports telecommunications services in the U.S., but as a result the fund undoubtedly targets many more people, and has created more constituencies in comparison with the Japanese system.

*What Does This Paper Examine?*

Where do the differences in the contemporary universal service policy debate between the two countries come from? Different market characteristics and political institutions may be the cause. However, are these aspects decisive enough when comparing American telecommunications policy with Japanese policies? My question is what else we should consider when we examine U.S. telecommunications policy. This paper will demonstrate how expanded universal service has been realized since the middle of the 1990's in the U.S. through a policy of network convergence, and then argue that the increasing number of actors participating in the telecommunications policy process most strongly distinguishes American universal service from the Japanese case.

The paper is organized as follows. The first section introduces the theoretical background such as interest group politics and issue networks. The second section provides my arguments as to why universal service policy has been expanded, seemingly a reverse of the political mood. Some say it was President Bill Clinton who showed strong leadership in fulfilling the policy goal of expanded universal service, or what is more commonly called the "Information superhighway." While I cannot deny such an argument, since 1990's it has been very difficult to implement

any social welfare programs and redistributive policy in the U.S. Around that time, social welfare programs such as Aid to Families with Dependent Children (AFDC) were revised. It is well known that the Clinton Administration had to modify the traditional liberal welfare programs, and that it was a difficult time to realize redistributive policy and social welfare programs because the Republicans took control of the Congress after Midterm Election in 1994; additionally, public opinion leaned to the conservative side (Sunada, 2000, 47-51). Accordingly, we need to take a fresh look at the reasons why an expanded universal service policy, which is also considered social welfare, was realized. The third section provides evidence for my argument. The paper will conclude that more and more diverse interest groups and civic participation as well as grassroots movements were very important in expanding universal service policy in the U.S., and that the contemporary telecommunications policy network has become more dynamic and decentralized as a result. In the Japanese case, however, there are still comparatively few citizen groups and no education groups or medical groups involved in the universal service policy debate.

This research makes use of public documents such as the Federal Communications Commission (FCC) website and other government websites; technical magazines including Telecommunications Reports; and a number of interviews with those who are closely related to the universal service policymaking process. This paper is also based on the research results of my dissertation, "*Gendai America ni okeru Telecom Seisaku to Seisaku Network no Henyo* 〔Telecommunications Policy in the Current America and the Transformation of the Policy Network〕(2007).

## Theoretical Background

*Interest Group Politics*

Since the beginning of the 20th century, political science scholars such as Arthur Bentley and David B. Truman have propounded the theory that interest groups or pressure groups are at the core of politics and policymaking in a complex, large, and increasingly specialized governmental system (Cigler, Loomis, 2002, 4). Therefore, the interest group becomes an important element for analyzing complex political processes; interest group politics itself continues to change for several reasons. Interest group politics scholars have paid much attention to how interest groups develop. David Truman has suggested that rapid technological changes and increasing social complexities greatly influence the proliferation of groups (Truman, 1971, 57). Truman's theory of group proliferation reminds us that the interest group universe is changeable and unstable.

For example, since the 1960s, the mobilization of business interests

has resulted from the rise of counterparts such as consumer groups and environmentalists. Therefore, one can say that group politics are comprised of successive waves of mobilization and countermobilization (Cigler, Loomis, 2002, 8). Since about 1960, the number of groups has increased and most of now directly engage in lobbying in Washington D.C. The growth of government and increasing federal programs accelerated the development of new political groups that were particularly interested in education, welfare, health care, civil rights, and so on (Cigler, Loomis, 2002, 12). Also, think tanks such as the American Enterprise Institute, the Brookings Institution, the Heritage Foundation, the Urban Institution, and the Cato Institute have come to play important roles in policymaking in Washington D.C. (Salisbury, 1992, 341-342). Moreover, the increasing number of senior citizens since the 1970s has also stimulated these groups. The American Association of Retired Persons (AARP) boasts an impressive membership. The AARP is well over twice the size of the AFL-CIO and in 1998, it counted 33 million members, which means 10 million more members than twenty years ago (Cigler, Loomis, 2002, 13). In other words, social movements since the 1960s, the increasing population of senior citizens, and the growth of government have stimulated more and more new groups to participate in policymaking in Washington D.C. The interest group universe has dramatically changed in the last 40 years.

Another question is how interest group politics in the telecommunications area has been changed by rapid technological innovation. AT&T, which was once the world's largest corporation and de facto monopolized the telecommunications industry, was a dominant actor in the telecommunications policy process before the AT&T divestiture in 1984. Because of the AT&T breakup and competition for the long distance telephone market, new companies freely entered some markets and a number of fractious issue networks developed (Berry, 1997, 308). Similarly, new business groups such as Competitive Telecommunications Association (Comptel) were formed. Within this competitive environment, AT&T also reorganized its lobbying team in Washington D.C. (Berry, 1997, 308).

However, there have been few studies on interest groups in the telecommunications area since the 1990's. Since then, the emergence of the Internet and the broadband environment has been having a great influence on interest group politics in the field. This paper would like to focus more closely on how interest groups in the telecommunications area have changed in reaction to rapid technological innovation.

*From Subgovernments to Issue Networks*

Robert Salisbury has suggested that more interest groups and lobbyists may wield less influence over policy results; however, he also points out that the growth in the number of interest groups in Washington D.C. has helped to bring

about a transformation in the way much public policy is made (Salisbury, 1992, 340). The American political process used to be explained as subgovernments or "iron triangles," which meant that a limited number of groups, legislators, and administrators were involved in policymaking for a particular issue area (Berry, 1997, 187). In the 1950s, a few organizations had hegemony in certain issue areas. For instance, as Salisbury mentions, the American Medical Association (AMA) dominated health policy, and the American Farm Bureau Federation (AFBF) was the most influential group on agricultural issues (Salisbury, 1992, 343). However, in the 1970s, the political process became more complex and the interest group universe in each issue area became more fragmented. The AMA used to be the single most powerful organization in health policy, but "is no longer the dominant voice of even organized medicine (Salisbury, 1992, 344)."

Hugh Heclo has suggested the concept of "issue networks" that are composed of "a large number of participants with quite variable degrees of mutual commitment or of dependence on others in their environment (Heclo, 1978, 102)". He also explains an issue network consists of "a shared-knowledge group having to do with some aspect of public policy" (Heclo, 1978, 103). He argues that we should pay more attention to the fairly open networks of people that increasingly have an influence on government, a change from the closed iron triangles or subgovernments we used to see (Heclo, 1978, 88). Since Heclo's book, more political scientists have come to analyze the policymaking process from the perspective of issue networks. For example, Fumiaki Kubo (1997) has analyzed issue networks in the environmental policy area. Jeffery M. Berry (1997) has done the same with telecommunications as well.

*The Telecommunications Issue Networks*

Using Jeffery M. Berry's definition of the telecommunications issue network, I argue that the telecommunications policy network has been transformed from the decentralized model to the convergence model. He compared issue networks in 1984 and 1994, indicating that the former was "characterized by well-defined industry niches and interest group coalitions [that] were built largely around these industry clusters (Berry, 1997, 213)". At that time, the telecommunications issue network was formed primarily focusing on telephone equipment and services (Berry, 1997, 209). There were some consumer groups in the issue network, but neither think tanks nor public interest groups were active there.

On the other hand, 1994 was characterized as a fully integrated market model. Berry indicates that "the large-scale integration of different companies into business alliances" was the prominent characteristic by that year (Berry, 1997, 211). Cable TV companies such as Time Warner and TCI (the nation's largest owner of local cable TV companies at the time) wanted to enter the telephone service market, and

telephone companies sought new business alliances in a different market. What caused this business mood in 1994? All different markets could now provide the same services on the Internet, the "information super highway" of the future (Berry, 1997, 211).

Although Berry's study usefully illustrates how the telecommunications issue network was transformed, he does not analyze the function of each actor in the issue networks. Building on Berry's work, in my dissertation I analyze how actors affect each other and how, to understand the transformations in the telecommunications issue network, one must examine the entire universal service policy process since the 1990's.

## Arguments and Hypothesis

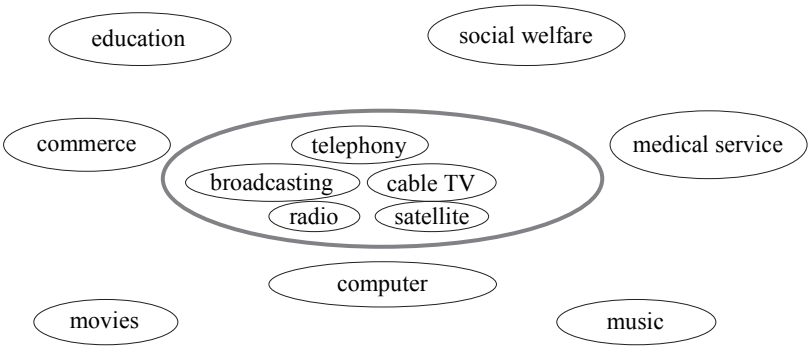
*From Decentralized Policy Networks to Policy Network Convergence*

This paper considers the policy network rather than the issue network. I think it is more appropriate to use the concept of the policy network because I would like to focus on the entire telecommunications policy area instead of on a single issue. I will provide a new analytical framework arguing that telecommunications policy network has been transformed from a decentralized policy network model into a policy network convergence model as the Internet has diffused among the public in the U.S. since the early 1990's (Kiyohara, 2007).

A decentralized policy network is characterized as several policy networks separated by policy areas; political actors in each policy network do not frequently enter another policy network. Figure 1 shows a decentralized policy network. In this model, even in the telecommunications area, each business market and regulations for telephony, broadcasting, cable TV and satellite are clearly separated (by so-called pipes). It is similar to Berry's telecommunications issue network in 1984. On the other hand, Figure 2 shows policy network convergence. In this model, the boundaries between policy networks are more permeable than in a decentralized policy network. Cable TV operators developed interest in entering the telephone business, and telephone companies in entering the cable TV market, since they see all telecommunications services converging on the Internet. Also, education groups such as teachers' unions and PTAs as well as think tanks, libraries, and rural communities now pay more attention to telecommunications policy than before. Most of them used to have almost no interest in the telecommunications area because this area was thought to be highly technical and not terribly relevant when only the school principal had a telephone in his or her office. Previously, the American Libraries Association (ALA) lobbied only for library funding and was interested mostly in copyright issues. However, since the 1990's with the rise of the Internet and new issues related to the Internet, telecommunications policy suddenly

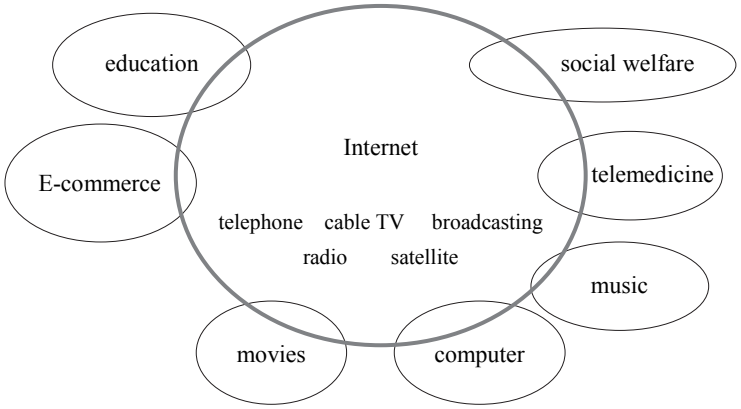
seems relevant to educational institutions of all kinds, especially libraries. In other words, in the policy network convergence model, many actors that have been politicized in different policy networks now participate in the telecommunications policy network without regard to boundaries between policies. Some groups form a coalition to fulfill their goals, and others enter as countermovements in the policy network. Some business groups lobby the Congress and the FCC very actively with plentiful political resources such as a number of lawyers. Some think tanks just educate the policymakers and the people. The converged policy network is not only composed of diverse coalitions. The important point is that many political actors which play important roles in other policy areas such as teachers unions and the ALA enter into the telecommunications policy network as active actors. Thus, the policy process becomes composed of many more political actors, which will make the process more complicated and decentralized.

Figure 1: The Decentralized Policy Network Model
(Before the Emergence of the Internet Society)




bold circle :telecommunications area

Figure 2: The Policy Network Convergence Model
(In the Development of the Internet Society)




bold circle: telecommunications area

My hypothesis is that the transformation of the telecommunications policy network (from decentralized to converged) affects the substance of universal service policy in the U.S. In the next part, I would first like to demonstrate how the telecommunications policy network was transformed, and next, analyze how this transformation affects universal service policy.

## Analysis

*More New Groups Enter the Telecommunications Policy Network*

A number of non profit organizations have newly entered the telecommunications policy network since early 1990's. According to *the Public Interest Profiles* in 2001-2002, there were eleven organizations paying close attention to media issues. Previously, in 1992, the number of organizations was five; in 1996, the number was eight; in 1998, the number was ten. It is obvious that the number of media advocacy groups such as Accuracy in Media and Center for Media and Public Affairs is gradually increasing.

Moreover, Kevin W. Hula indicates that traditional civil liberty groups such as People for the American Way and the American Civil Liberties Union formed a coalition with newer computing organizations such as the Electronic Frontier Foundation and Voter Telecommunications Watch in order to promote the campaign "to stop the U.S. communications decency act" in 1995 (Hula, 1999, 89). The same

year, the ALA, which is the largest library group in the U.S., started up the Office for Information Technology Policy (OITP) in Washington D.C. This office plays an important role in supporting the efforts of libraries to ensure access to electronic information resources by conducting research and educating librarians. Their current major concerns are broadband; the E-rate and universal service reform; network neutrality; and copyright and federal funding (ALA Website).

Lynne E. Bradley indicates that Alliance for Public Technology, Benton Foundation, ALA, National Education Association (NEA), EdLiNC(Education and Library Network Coalition) formed by schools and libraries, the Department of Education as well as high-tech industry were new players to telecommunications debate in 1990's. (Interview with Bradley, 2006.3.1). She also noted that the reason why new groups entered the policy network was because the universal service opened up the E-rate (Ibid.).

Figure 3 indicates that there are even more new interest groups that have entered the telecommunications policy network. They are categorized as think tanks and citizen groups. Figure 3 shows that new groups were established in 1990's; there is also the Benton Foundation, which transformed its activity as a think tank in order to address the telecommunications area. Traditional conservative think tanks also have interest in telecommunications policy now. They were not interested in the telecommunications issues in 1992, according to *the Public Interest Profiles*, but came to be aware of their importance later in that decade. James L. Gattuso mentioned that one conservative group, Citizens for Sound Economics (CSE), was already working on telecommunications around the time of the AT&T break-up (Interview with Gattuso, 2005.11.8). According to him, subsequently, in 1994 and 1995 while Congress was trying to pass the telecommunications bill, a number of conservative/free market-oriented groups got involved in the telecommunications debate. He also noted that these groups had started an informal working group once a month for lunch around 1994, and that it had grown to about 20 groups in 2005 (Ibid.).

Therefore, a wide range of diverse groups have participated in the telecommunications policy network since the 1990's as Internet issues have increased. Also, it can be said that the telecommunications policy network started to converge with other networks such as high-tech, computers, and education areas.

Figure 3

| Name | Current Issues |
|---|---|
| Center for Democracy and Technology (1994) | ・Access to the Internet<br>・Electronic surveillance and cryptography<br>・Free expression on the Internet<br>・Online democracy, etc. |
| Electronic Privacy Information Center (1994) | ・Free speech on the Internet<br>・Consumer protection<br>・International cyber rights, etc. |
| Progress & Freedom Foundation (1993) | ・Communications<br>・Computer technology<br>・Deregulation of electric utilities,<br>・Internet<br>・Telecommunications, etc. |
| Center for Media Education (1991) | ・Advertising practices on the Web for youth and teens<br>・Use of the Internet for civic purposes for youth and teens, etc. |
| Electronic Frontier Foundation (1990) | ・Censorship and free expression<br>・Content filtering<br>・Online copyright and fair use, etc. |
| Benton Foundation(1981)<br>*In 1992,<br>newly started<br>its communications<br>policy project | ・Digital TV<br>・Media reform,<br>・Internet services at libraries<br>・Digital divide, etc. |

* This figure shows some groups that started to be involved in the telecommunications policy in 1990's. Not all groups that are dealing with telecommunications policy are shown.

## What Does the Transformation of the Telecommunications Policy Network Mean?

*Who affects the Expanded Universal Service System?*

So, who affects the expanded universal service system the most? And how do they affect the substance of the policy? First, let us examine Figure 4.

Figure 4: New Political Actors In the Telecommunications Policy Network : Universal Service Policymaking Process

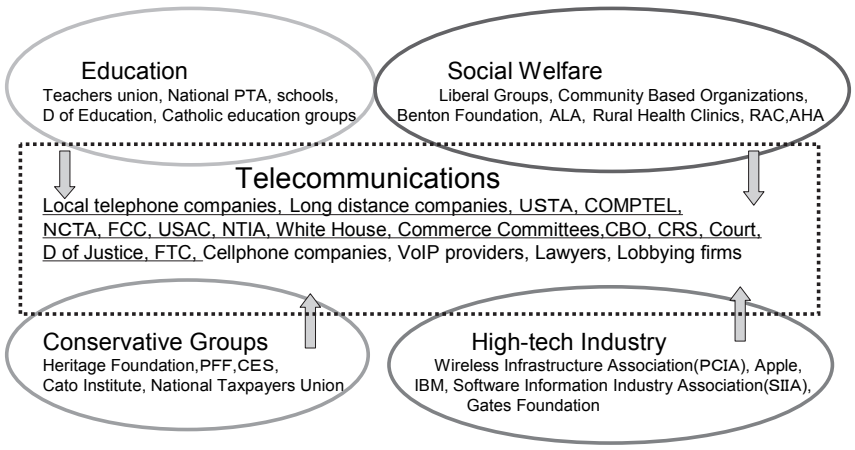



Figure 4 shows what kinds of groups are the most active regarding universal service policy. The number of political actors has been increasing in the telecommunications area. For example, Universal Service Administration Company (USAC) was established in 1997 as a not-profit subsidiary of the National Exchange Carrier Association, Inc. (NECA). Since December 31, 1998, USAC has become responsible for administering all of the universal service support programs, including the E-rate and Rural Health Care Providers Program, as directed by the FCC (USAC website). Only long distance telephone companies contributed to the universal service fund before the Telecommunications Act of 1996 was established. Thereafter, all interstate telecommunications service providers were required to contribute to the fund. As a result, local telephone service providers and wireless telephone companies have become active actors regarding this issue. Moreover, because of the Telecommunications Act of 1996, the number of lawsuits has been increasing with regard to several issues, including the E-rate. For example, in 1998, GTE, BellSouth and SBC Communications brought a case against the E-rate. Plaintiffs argued that the FCC forced telephone companies to contribute to the universal service fund but that they did not mandate all Internet service providers to contribute to the fund (Puma, Chaplin, Pape, 2001, 20). Lawyers too now play a more important role in the telecommunications area.

The most conspicuous new groups in the telecommunications policy network are education groups, libraries and social welfare groups. At the beginning of the policy debate in Congress, around 1993, the Telecommunications Roundtable was formed by many liberal groups including the Center for Media Education, People

for the American Way and the American Civil Liberties Union. In response, the Benton Foundation started to educate politicians as well as non profit organizations so as to encourage them to participate in the expanded universal service debate. The Benton Foundation was cooperating with National Telecommunications and Information Administration (NTIA) in 1994 and 1995 in the policy debate. In 1995, the ALA also mobilized their members to lobby Congressional representatives to support the bill including the universal service amendment, which was introduced by Senator Olympia Snowe (ME, R) and Senator John Rockefeller (WV, D).

Once the Telecommunications Act of 1996 was established, EdLiNC was formed by education groups and libraries including the NEA, National PTA, and the ALA, and had an important role in the FCC rulemaking process regarding the E-rate. They mobilized hundreds of their members to lobby for the FCC and Federal-State Joint Board members to create a discounted support program based on the Telecommunications Act of 1996. They worked with the Department of Education and Senators Snowe and Rockefeller. Despite the strong opposition from telecommunications service providers, the FCC Commissioners decided to create the E-rate program by a unanimous vote in May, 1997. The E-rate program provides eligible schools and libraries with telecommunications service, Internet access and internal connections at discounted rates (20 to 90 %).

Since the E-rate program as well as the Rural Health Care Providers Program was created by the FCC, schools, libraries, and rural health care providers have sent their representatives to the Schools and Libraries Committee and Rural Health Care Committee of the USAC. These committees have power and authority to manage the support programs on behalf of USAC. Not only part of the committee, schools and libraries work hard on monitoring the implementation of the E-rate program. There are 61 state E-rate program coordinators, and most of them are staff working at the state departments of education. Mary Kusler related that education groups have been involved in telecommunications issues since the E-rate program started, and that the number of negotiations with the FCC has increased (Interview with Kusler, 2003 September 2). Education groups often contact the USAC to monitor the E-rate program. George McDonald of USAC mentioned that education groups were very active participants in the implementation of the E-rate and that they contacted with him very quickly if USAC made a mistake (Interview with McDonald, 2004, November 15).

Similarly, in 1998 and 1999, as long distance telephone companies such as AT&T, MCI and Sprint started to charge their customers universal service fees, a large countermovement against the E-rate occurred, led by the National Taxpayers Union and consumer groups. The countermovement got behind Republican Congressional representatives to submit bills to terminate or reform the E-rate. Against this countermovement, the NEA, American Association of School Administrators, National Association of Independent Schools, National

School Boards Association, U.S. Catholic Conference's Department of Education, and the National Catholic Education Association formed a national grassroots movement called "Save the E-rate Campaign." With this movement, and since the E-rate became much more popular after it started to reimburse, none of the bills to terminate the E-rate were passed in Congress. Also, in 1999, the FCC decided to raise the funding cap from 1.9 billion U.S. dollars to the amount of 2.25 billion U.S. dollars.

The active movement by schools and libraries was not just under the Clinton Administration, although Vice President Al Gore was a strong supporter of the E-rate. After the Bush Administration started, President George W. Bush wanted to consolidate the E-rate with other education subsidy programs because he was pushing his own education policy ("No Child Left Behind") and did not want to continue Clinton and Gore's pet program, the E-rate. However, schools and libraries insisted that the universal service fund worked better than general tax revenue to support them. Schools and libraries still play very important roles in extending the E-rate program. On April 23, 2003, the FCC adopted the Second Report and Order and Further Notice of Proposed Rulemaking regarding the E-rate. According to the Report and Order, about 44 % of the 125 groups that filed public comments at that time were schools and libraries. They asked to add new services such as voice mail and wireless phones to the services supported by the E-rate. The FCC allowed their requests by the Report and Order (FCC Second Report and order and Further Notice of Proposed Rulemaking, CC Docket No.02-6, Adopted: 23 April, 2003).

In other words, a large number of constituencies monitor the implementation of the universal service program, especially the E-rate, in the U.S. Education groups and social welfare groups have worked to extend the universal service fund programs to schools and libraries as well as rural health care providers during a difficult time for realizing social welfare or redistributive policy. These groups have come into the telecommunications policy network from other areas of universal service since the middle 1990's.

It may be much easier to understand why high-tech industries are also new political actors in the telecommunications policy network. For example, the Bill & Melinda Gates Foundation supports the ALA to increase libraries' participation in the E-rate program. In 2006, the Gates Foundation awarded the OITP of the ALA $375,000; the grant will help the OITP develop and test a training and support program for state library E-rate coordinators (Bill and Gates Foundation website). However, high-tech industries were still less active supporters in the FCC rulemaking process in 1996 and early 1997, although they did not oppose the program (Interview with Bradley, 2006.3.1, Hundt, 2000, 195).

## Conclusion

What are the differences between the American case and the Japanese one? In Japan, the Ministry of Internal Affairs and Communications (MIC) has formed a Study Group for the Future Vision of the Universal Service System. Only three groups out of sixteen that filed public comments on March 2, 2007 regarding this study group were not telecommunications service providers (MIC, website). Disabilities groups such as the Japanese Federation of the Deaf and a consumer group called Shufuren filed public comments on the universal service debate. The former wanted a debate on the universal accessibility of relay services and the latter wanted to reform the universal service system because the current system collects a universal service fee from all end-users. The MIC also collected public comments for the Report on the Future Universal Service Vision from October 5 to November 5, 2007 (MIC, website). A total of 14 public comments were filed, but none of them were filed by citizen groups, education groups, or consumer groups. Most of them were filed by telecommunications companies such as NTT Docomo and KDDI. The exception was one filed by Nippon Keidanren (Japan Business Federation; a comprehensive economic organization). Of course, there is a difference between political institutions in the U.S. and Japan. However, from these statistics, it appears that the voice from non-telecommunications groups in Japan regarding universal service is much weaker than in the U.S.

As explained above, in the U.S., there are diverse constituencies on universal service policy. Moreover, most are new participants in the telecommunications policy network although they have been very active political actors in other policy areas. Especially, education groups and the ALA have mobilized a large grassroots movement, cooperating with community based organizations as well as rural health care providers. We can see this political activity not only on the federal level but also in some states. In California, the California Public Utility Commission (CPUC) established the California Teleconnect Fund (CTF) by Decision 96-10-066 on October 25, 1996. The CPUC decision was mandated by the FCC perspective on expanded universal service under the Telecommunications Act of 1996 (CPUC website). Since then, schools and libraries as well as community based organizations and rural health care providers have had frequent contact with the CPUC. They attend advisory committee meetings of the CTF as representatives from their organizations and debate what kind of new technology should be incorporated into CTF programs.

Of course, not all Americans know that they are charged for universal service fees and the issue may not be as popular as environmental policy (such as water pollution) or the Iraq War. Nevertheless, the number of groups that filed public comments put into relief the paucity of participants in the universal service policy debate in Japan. In conclusion, it is very important that a diverse range of interest groups affect the substance of universal service policy in the U.S. In Japan, it is

easy to say that we should avoid expanding the universal service fund like in the U.S. However, before that, we may need to think about the reasons that cause national differences in the debate. Considering the market situation and political infrastructure is not sufficient to compare the Japanese policy-making process with the American one. We should pay more attention to the fact that there is a diverse constituency and that the voices from non-telecommunications service providers are quite important in the policy debate in the U.S. The new groups cause more complicated interest antagonism, but they are vital to the current expanded universal service system in the U.S.

Lastly, it should be noted that this study has examined mostly the American universal service policy process. The lack of analysis on the Japanese policy process or a comparative study of political institutions means that I am not yet certain that the telecommunications policy network transformation in the U.S. is the most important factor for the differences in the policy debate with the Japanese case. Nevertheless, this study does suggest the importance of policy network convergence within the universal service policy debate in the U.S.

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