

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS,**

Re: Schools and Libraries Universal Service Support Mechanism

The action we take today benefits our children and communities because it eliminates all ambiguity and ensures that, at an imminent date certain, all unused E-Rate funds will be available to connect our schools and libraries to the Internet. This is something I have wanted to see happen since I arrived at the Commission one year ago. My interpretation has always been that our rules were already clear that unspent funds could be moved into the following year's program. Today's action removes any doubts that may previously have existed.

Although the Commission has given itself until the first quarter of 2003, I see no reason why we cannot complete our work and implement any new rules by the end of this year. I am pleased that the item now expresses hope for earlier action. Our children, our communities, and our country deserve no less.

In the current fifth year of the E-Rate program, schools and libraries have requested more than double the available funds to help bring information age tools to communities across our country. All funds are not disbursed, however -- for a variety of administrative reasons or because individual schools and libraries do not fully use the money committed to them. Our action today ensures that E-Rate funds will stay in the E-Rate program and that one year's undisbursed funds will be disbursed, in their entirety, for their intended purpose of connecting America's schools and libraries.

This Order also benefits consumers by ensuring that they will not be asked to foot what could have been significantly increased universal service contribution levels at the exact same time that they will face increases to the subscriber line charges on their bills. By stabilizing the universal service fund, this Order opens a window of opportunity to consider the future method for assessing contributions to universal service. The benefits of this Order will only be fully realized, however, if we take advantage of this opportunity to complete the full proceeding. If we waste this chance, consumers will rightfully be angry when they face higher bills. And those who receive universal service support -- including those living in rural areas, those with low incomes, and schools, libraries and rural health care providers -- will rightfully be angry that we have failed to ensure a specific, predictable and sufficient universal service mechanism that is sustainable into the future. So we have our work cut out for us, but we also have the opportunity to put universal service on a sounder footing. It's an opportunity we dare not lose.