

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

Re: *Federal-State Joint Board on Universal Service (CC Docket No. 96-45)*, Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order (adopted October 16, 2003)

Universal service policy is built on the principle that all of us benefit when more of us are connected. This principle resides at the core of the Telecommunications Act. And Congress made clear that the Commission must be working to ensure that all Americans—rural, urban and everything in between—have access to reasonably comparable services at reasonably comparable rates.

Today, we bring needed clarity to this concept by retooling our mechanism for non-rural carrier high-cost support. I am pleased that in this item we define key statutory terms and adopt further measures to induce States to ensure reasonable comparability of rural and urban rates. At last, we can remove the non-rural high-cost mechanism out from under the cloud of judicial remand that has hovered over it for more than two years. Our action today represents a measured step in the right direction and I support it.

I still have, however, a reservation or two with respect to where we are headed. Today's decision adopts the use of statewide average costs as part of the mechanism to direct support to non-rural carriers serving high-cost States. I support this approach, but recognize that some have argued that the selection of statewide average costs disadvantages non-rural carriers providing service in States with significant rural and urban areas. I think the best course going forward is to monitor carefully the methodology we have chosen here. If the statewide average approach provides insufficient support, resulting in rates that are not reasonably comparable, we will have no choice under the statute but to reconsider.

I also am concerned that rates for basic service that are two standard deviations higher than the average urban rate may not always be the right metric for determining reasonably comparable rates. However, I believe we provide States with ample opportunity through the rate review and certification process to demonstrate that factors other than basic service rates affect the comparability of their rates.

Finally, I wish to note that today's item applies only to non-rural carriers. The assumptions that buttress our analysis here—like using statewide average costs—may not prove appropriate when we consider sufficient support for rural carriers.

As technical as this decision is, the goal that undergirds it is simple. Congress charged us to ensure that comparable technologies are available all across the country at affordable and roughly equivalent rates. Our actions here endeavor to advance that goal. This is what the statute mandates, what the public interest requires and what this item sets us on the road to accomplish.