

SEPARATE STATEMENT OF CHAIRMAN MICHAEL K. POWELL

Re: *Schools and Libraries Universal Service Support Mechanism, Third Report and Order and Second Further Notice of Proposed Rulemaking, CC Docket No. 02-6*

Today marks another milestone in our ongoing and systematic efforts to improve the effectiveness of the schools and libraries fund. Today, we adopt a variety of measures designed to simplify fund administration, ensure the equitable distribution of monetary support, and to protect against waste, fraud, and abuse. The rules we adopt today should increase the accuracy and effectiveness of disbursements by, for example, precluding eligible entities from upgrading or replacing internal connections with universal service funds on a yearly basis, clarifying what constitutes permissible maintenance costs, and limiting the transfer of equipment purchased with universal service discounts.

Many of the actions we take today draw from previous events, including the May 2003 public forum on universal service reform and the activities of the Universal Service Administrative Company's Waste, Fraud, and Abuse Task Force. Taken together, these measures advance our mission of ensuring efficient, accurate and timely fund disbursements to promote the nation's universal service objectives. Yet our task is not yet complete. As indicated in our *Further Notice*, the agency seeks comment on how to further enhance the ability of limited funds to do the most good for the most Americans.