

**STATEMENT OF
COMMISSION DEBORAH TAYLOR TATE**

Re: Universal Service Contribution Methodology, WC Docket Nos. 06-122, 04-36, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, Report and Order and Notice of Proposed Rulemaking.

In 1996, to ensure the long-standing Commission policies of universal service, Congress required that every telecommunications carrier that provides interstate telecommunications service to contribute to universal service on an equitable and non-discriminatory basis. Congress also permitted the Commission to require contributions from other providers of telecommunications for the advancement and preservation of universal service. Even today, as Congress contemplates revisions to the Act, universal service goals remain integral to their discussions. Today's item takes a positive step toward realizing the universal service goals in the Act by ensuring that services are treated in a technology-neutral manner under the Commission's contribution rules.

In today's item, we clarify our rules to ensure that universal service obligations are shared fairly across similar services. It was not long ago that discussions of VoIP in the marketplace were mostly hypothetical. However, with current estimates showing residential VoIP serving over 4 million subscribers and growing rapidly, the marketplace reality is knocking at our door. Given the rapid marketplace adoption of VoIP, I am pleased that we make universal service obligations clear at an early stage so that we avoid unnecessary market distortion. While I continue to advocate a light regulatory touch for nascent services like VoIP, it is essential that important goals like universal service are implemented in an equitable and non-discriminatory manner.

The Commission currently assesses universal service contribution obligations based on a percentage of a provider's interstate revenues. While the Commission has consistently made clear that it continues to prefer actual revenues, the Commission has made available other means to estimate interstate revenues, like safe harbors, to reduce burdens on providers. Underneath all of the details of today's interim decision is a core principle that all providers subject to universal service contribution obligations contribute fairly based on an account of their interstate revenues. I look forward to evaluating comments from consumers, industry, and other interested parties as we further develop a record on this issue.

Finally, we must remember that we are taking these actions because all consumers should be able to access services at reasonable rates and I remain committed to encouraging the deployment of new services to Americans in underserved regions. That is important to all consumers because, from the bustling streets of our biggest cities to the most remote native villages in Alaska, hundreds of miles from the nearest paved road, we all rely on a common communications network to keep our families, friends, and businesses connected as a nation. Through our collective support, we will continue to stay connected and moving forward as a nation.