

STATEMENT OF COMMISSIONER ROBERT M. MCDOWELL

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.*

Universal Service is premised upon the noble concept that every American, whether low-income, or in rural, insular, or high cost areas, should have access to the same kinds of affordable telecommunications services as those available in urban America.¹ From generations of Americans living on family farms, to Native Alaskans in subsistence villages, to school children in small towns along America's gulf coast, the Universal Service system has been instrumental in keeping Americans connected and improving their quality of life.

However, this system is in dire need of comprehensive reform. Today's action is simply an interim measure that will help bridge the gap between the deteriorating status quo and a fairer and more sustainable system for the future. I look forward to working with my colleagues as we move forward quickly on a more comprehensive reform effort.

Today, we adopt interim changes to the Universal Service contribution methodology that are fair and reasonable. By setting appropriate safe harbors and allowing wireless carriers and VoIP providers, in determining their USF contribution, the option of either using such safe harbor, utilizing traffic studies, or reporting actual interstate revenues, we provide the right balance of administrative ease and incentive to contribute based on actual interstate and international revenues. These interim measures also ensure that the fund remains solvent for the near term and serve as an important first step toward broadening the fund's contribution base to ensure equitable and nondiscriminatory support² of the Fund in an increasingly digital world.

I thank Tom Navin and the Wireline Competition Bureau staff for their hard work and the Chairman for his leadership in this matter. I look forward to working with my colleagues to follow the Chairman's lead as he drives the process of comprehensive reform to ensure long term sustainability of Universal Service.

¹ 47 U.S.C. § 254(b)(3).

² See 47 U.S.C. § 254(b)(4).