

**STATEMENT OF  
COMMISSIONER ROBERT M. McDOWELL**

*Re: Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, A  
National Broadband Plan for Our Future, GN Docket No. 09-51*

First, I commend the Chairman for his commitment to comprehensive universal service reform. It is an understatement to say that responsible reform is badly needed. Review of the E-Rate program is an important component to any reform endeavor. Today's Notice of Proposed Rulemaking (NPRM) highlights many areas where the E-Rate program could be improved to ensure that the program continues to be successful in supplementing our nation's educational system.

Additionally, I thank the staff for their diligence on this NPRM. In particular, I appreciate the clarification that the proposed change to the definition of "rural area" was not intended to put rural America at a disadvantage compared to urban areas. Rather, the change in the definition was proposed to explore whether there is a better way to ensure that the E-Rate funds are targeted appropriately in rural parts of the country. It is important to note that many rural students do not have the luxury of traveling down the road for their educational needs which may be lacking in their schools. In fact, some rural schools are not even connected to the outside world by a road system at all.

In closing, I have a couple overall thoughts regarding universal service reform, in general, and in particular regarding this NPRM. In the context of any reform measures, we should always look to find ways to stem waste, fraud and abuse. As managers of this fund, we must conduct reform in a way to ensure that we collect only what we need, and spend what we collect, in the most efficient and effective manner possible. Finally, I note that this NPRM seeks comment as to whether the existing cap on the E-Rate program should be indexed for inflation. I will be interested to review comments on that proposal and note that any final changes that we make to any one part of the system should be made in the context of comprehensive reform so that we do not inadvertently expand the growth of the overall fund.

There are a lot ideas packed into this NPRM. I look forward to reviewing the record and working with all of my colleagues and stakeholders on a transparent and fair process in pursuit of fiscally prudent reforms.