

**SEPARATE STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

RE: Interim Contribution Methodology Order

In December, the Commission adopted a general prohibition on the recovery of amounts in excess of contribution obligations through federal universal service line-item charges. Although I did not have the opportunity to vote that item, I do support that general prohibition.

We as a general matter today are granting an interim, very limited waiver of this prohibition to allow carriers to continue to apply an equivalency ratio to Centrex customers. We are preserving the status quo for a strictly limited time in order to avoid an unintended increase in universal service pass-through charges on Centrex customers including entities that rely heavily on this service, such as state governments, universities, community colleges, libraries, local governments, school districts and certain not-for-profit corporations, including private universities and health care providers.

The record reflects the substantial rate increase these institutions would experience but for our action today. Many of these entities are subject to budgeting processes that could make their very operation difficult in the event of an unplanned increase. Estimates are as high as five hundred thousand dollars on an annual basis.

In that this is an interim waiver, I look forward to discussing the merits of the petitions for reconsideration with my colleagues.