

**SEPARATE STATEMENT OF COMMISSIONER THOMAS J. DUNLEAVY,
NEW YORK STATE PUBLIC SERVICE COMMISSION**

Re: Federal-State Joint Board on Universal Service, Recommended Decision

The issues referred to us in this phase of this proceeding are among the most complex and contentious we have been asked to address. They go to the heart of what we expect a universal service program to achieve and how we expect it to interact with the forces of a competitive market. Although this Recommended Decision does not resolve all the issues before us, I believe the recommendations we make here today will help sustain the federal universal service program, enabling it to more effectively achieve our dual goals of fostering competition while preserving universal service. I support this Recommended Decision as a reasonable step in the right direction.

Perhaps the most significant recommendation we make here today is to provide federal high cost support only for a subscriber's or household's primary connection to the telephone network. I believe this recommendation is entirely consistent with the fundamental purpose of the federal universal service program – ensuring that all homes and businesses can affordably connect to the rest of the world. When the Telecommunications Act of 1996 was being crafted, I doubt many people anticipated that in less than a decade most households would have both a wireline and a wireless phone and that many would have multiple wireless phones. I am convinced that, however much we might like to, we simply cannot sustain a universal service program that provides support to two, three, four or more phones in most households. At the same time, rules that would effectively preclude support to wireless services would not be competitively or technologically neutral and might artificially slow the deployment of desirable and potentially less costly services to high cost areas. While implementation of our recommendation to support only primary lines will no doubt involve some administrative complexities, I am confident that reasonable solutions will be found through further development of the record, as we here recommend. I also am confident that resolution of those challenges will place far fewer demands on the high cost support mechanism than will continuing to support multiple lines per household.

That said, I am keenly aware that our primary line proposal could significantly affect the support currently provided to existing eligible telecommunications carriers. No rule should be thought to be permanent, yet when changes are made reasonable efforts should be made on a transitional basis to mitigate sudden and severe negative consequences. I am pleased that our Recommended Decision recognizes this by offering several alternative proposals for further comment. Without expressing a preference for any of the alternatives, I would emphasize that no mitigation effort can be expected to live on in perpetuity, nor should one be used as a means to forestall competition in any area. Congress was quite clear; it intended to open all telecommunications markets to competition, not just markets in low cost or urban areas.

It is a testament to the dedication and professionalism of my Joint Board colleagues that we are able to suggest some significant changes to improve the federal

universal service program, even as we continue to seek a fuller record on several issues. The state and federal staffs supporting this Joint Board once again have done an exemplary job helping us to understand the issues and our options and reducing our thoughts to writing. I offer them all my sincere appreciation.