

**STATEMENT OF
COMMISSIONER KATHLEEN Q. ABERNATHY**

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45 (FCC 05-46).

Last year, the Federal-State Joint Board on Universal Service recommended a comprehensive set of guidelines to govern the designation of eligible telecommunications carriers (ETCs) by state commissions and the FCC. I am pleased that this Order adopts those guidelines without significant modifications, and I again want to thank my state colleagues for their important contributions to this effort.

As the Joint Board and the Commission both have recognized, the designation of ETCs — particularly in rural areas facing competition — is an important responsibility about which the statute provides little concrete guidance. For several years following the enactment of the 1996 Act, there was widespread uncertainty regarding the appropriate standards for determining whether the designation of a competitive ETC serves the public interest. Last year, the FCC adopted interim measures, and this Order will provide for far greater certainty and uniformity by memorializing a comprehensive set of minimum standards based on input from a broad array of state and federal regulators.

The Commission has appropriately recognized, consistent with section 214 of the Act, that competitive carriers (often CMRS carriers) should be eligible to receive universal service funding in high-cost areas. At the same time, this Order, like the Joint Board recommendation, calls for a rigorous designation process to ensure that all ETCs are prepared to serve all customers upon reasonable request and to offer high-quality services at affordable rates throughout the designated service area. In other words, competitive carriers seeking ETC status must serve as carriers of last resort, just as incumbents must. Moreover, wireless carriers must submit build-out plans — backed by reporting requirements and annual certifications — demonstrating that the universal service funding will be used to deploy infrastructure capable of providing service (possibly in combination with resale) throughout the designated service area. I am pleased that the Commission has endorsed the Joint Board's recommendations, and I hope that state commissions and the FCC heed this guidance in upcoming designation proceedings.