

**STATEMENT OF
ASSISTANT ATTORNEY GENERAL
PUBLIC COUNSEL SIMON FFITCH**

In the Matter of High-Cost Universal Support, WC Docket No. 05-337; Federal-State Joint Board on Universal Service; CC Docket No. 96-45

I support the Recommended Decision issued by the Joint Board today because it adopts an important framework for needed reform of high-cost universal service support. The decision establishes appropriate priorities by recommending that the FCC concentrate on reform of existing funding in order to eliminate excessive and unneeded USF support, to better target areas in need, to adjust to evolving technology, and to recognize changing consumer preferences.

The decision adopts a “cap and target” approach which should provide significant benefits for consumers. By recommending a cap on high-cost funding, the decision addresses the problem of uncontrolled growth in the fund size. The USF contribution currently adds approximately 11 percent to the interstate portion of the telecommunications bills of most Americans. This level of burden and the dramatic growth in fund size have become counterproductive to the ultimate goals of universal service. I therefore strongly support the recommendation to cap the fund.

In addition to capping the fund, the decision proposes ways to use existing funds more efficiently and effectively. This is accomplished through the three-fund approach, by recommending the end of the identical support rule, and by other proposed changes. A key aspect of this Recommended Decision is that it proposes a reasonable and practical way to reform existing support mechanisms and to redirect support to broadband and mobility needs, while at the same time keeping control on the overall size of the fund. In this way, the plan proposed in this Recommended Decision keeps the focus where it should be in this process -- on the interests of America’s telecommunications consumers.

Finally, it is important to note the significant role played by former Joint Board member and West Virginia Consumer Advocate Billy Jack Gregg in developing some of the core concepts that are part of the framework adopted in this Recommended Decision. Though his tenure ended September 30 of this year, his thoughtful work has been a valuable contribution to this effort.