

**DISSENTING STATEMENT OF  
COMMISSIONER MICHAEL J. COPPS**

*Re: High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Alltel Communications, Inc., et al. Petitions for Designation as Eligible Telecommunications Carriers, RCC Minnesota, Inc. and RCC Atlantic, Inc. New Hampshire ETC Designation Amendment, WC Docket No. 05-337, CC Docket No. 96-45.*

I dissent from today's decision to cap high-cost support for competitive eligible telecommunications carriers (CETC) because it falls woefully short of the fundamental, comprehensive reforms needed to meet the overarching telecommunications challenge of the Twenty-first century. That challenge, both by statute and by necessity, is to encourage the deployment of basic and advanced telecommunications to all of our citizens and to ensure that the Universal Service system, which accomplished so much in the 20th Century, can do so again now. Today's decision does nothing meaningful to meet that challenge; indeed, it only deflects us from the goal. The outcome is an illusory band-aid that is supposed to contain costs but, in reality, imposes the much heavier cost of lost opportunity to reform Universal Service and put America back in the vanguard of advanced telecommunications. As a result of today's vote, real reform is on the back-burner. What a pity!

The need for reform is patently obvious. As this country continues to lag in so many international broadband rankings and as consumers and competitors around the world are receiving high-speed and high-value services, Americans in urban and rural areas and on tribal lands are falling further behind. One critical element of turning this ship around is re-tooling the Universal Service system with broadband deployment as its mission. And while my colleagues on the Federal-State Universal Service Joint Board unanimously agreed to make broadband part of the system, today's Order has the effect of putting this off to another day. So too does it put off the many other difficult questions regarding sustainability of the Fund that the Joint Board wrestled with and put in its recommendations six months ago.

Comprehensive reform is not painless and may require shared sacrifice from all stakeholders. Yet, today's piecemeal approach has the unfortunate consequence of pushing interested parties apart rather than bringing them all to the table to develop workable solutions. Just consider that 365 days ago the Joint Board recommended an interim, emergency high-cost cap. Since then Commission and stakeholder attention has been largely focused on the merits and demerits of such a cap. Today's Order ends up picking winners and losers when it comes to future Universal Service support and increases the risk that no one will return to the table to discuss real reform any time soon. Had all interested parties spent the same time and energy over the last year focused on comprehensive reform, we might "be there" already.

The Commission seems to forget that we do not have the luxury of time here. Why is it slamming on the brakes when it comes to reform? The Joint Board gave us more, and it is those proposals we should be considering in a more comprehensive fashion. While I disagreed with some of the Joint Board's recommendations, at a minimum they put us on the road to real reform. The majority's response today, while they will attempt to bill it as an "interim, emergency cap", has no sunset period and commits only to completing comprehensive reform "as soon as feasible." Remember that old song "The Twelfth of Never"?

While I strongly disagree with the overall decision taken today, I am encouraged the majority added to their CETC cap two caveats that I have long deemed important. The Order excludes from the cap high cost support for CETCs serving tribal lands or Native Alaskan Regions. These areas are among the most underserved when it comes to telecommunications—both basic phone service and broadband. The Commission must continue to focus on ways to bring affordable services to these areas as their

residents are equally deserving of the benefits that technology affords. Second, a CETC will not be subject to the cap to the extent it provides cost data documenting its actual costs for providing competitive service. I continue to believe that the elimination of the Identical Support rule should be part of any comprehensive solution and this step is consistent with that approach.

I, for one, will continue to beat the drums for comprehensive Universal Service reform. It's what Congress wants, what the statute commands, and what consumers deserve. So I pledge today to do everything I can to encourage all stakeholders to come to the table and take on the unfinished business of empowering all our citizens through the awesome new tools of communications technology.