

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: *High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Request for Review of Decision of Universal Service Administrator by Corr Wireless Communications, LLC, WC Docket No. 05-337, CC Docket No. 96-45.*

I welcome the Commission's effort to finalize the long-outstanding question of what to do with the competitive eligible telecommunications carrier (CETC) support surrendered by Verizon Wireless and Sprint Nextel pursuant to commitments made in separate transactions in 2008. And I find it laudable that today's Order seeks to redistribute the surrendered support in ways that will meet the goals of the National Broadband Plan.

It is regrettable, however, that the Commission confronts this matter under less-than-desirable circumstances. In particular, the Commission in 2008 had the opportunity to reform Universal Service and put America back in the vanguard of advanced telecommunications. Instead, the Commission adopted an illusory band-aid—an "interim, emergency cap" on CETC support—intended to contain the High Cost program. Contrary to the strictures of the Telecommunications Act, the cap was not technology-neutral, and it had the perhaps unintended effect of hindering the deployment of wireless voice service to areas of the United States that need it most. Just as dismally, adoption of the cap put real reform of Universal Service on the back-burner when it should have been on the front and on high. So today, even after prolonged Commission deliberations over how to implement the interim cap, we still find ourselves agonizing over related issues, such as the situation addressed in the instant order. This all could have been avoided. Bygones.

My concern is to encourage that the surrendered support goes to deploying services where they are needed, and fast. I strongly support using this funding to index the cap on E-Rate to inflation. E-rate is, I believe, one of the best and most successful programs in FCC history, connecting schools and libraries to the Internet and generations of people to the enabling technologies of the Twenty-first century. But, as a far-reaching program that is nonetheless capped, E-Rate demand consistently outpaces available support. The adjustment to inflation, as proposed in the May NPRM on E-rate, can help significantly. It will not be enough to meet demand, to be sure, but it will have a prompt and direct impact on meeting the telecommunications needs of schools and libraries across the country.

That said, I am not totally pleased with today's outcome. I am concerned about how and when the remainder of the surrendered funding will be distributed. These funds are needed in circulation now. Wireless broadband deployment hinges on more funding. So do jobs. Yet Universal Service reform is still, at best, many months off. We still need to create the CAF and a Mobility Fund for wireless and also expand the Rural Health Care program. Right now we lack the needed mechanisms for the timely and efficient deployment of these newly-available funds.

I genuinely dislike holding on to ratepayers' contributions when those funds could and should be distributed immediately for services in areas that urgently need them. I understand we are boxed in because of the circumstances outlined above, but this predicament shows us once again the costs we pay for previous wrong-headed decisions and delay. Again, I have high hopes that the Commission will move forward with plans for the Mobility Fund and the Rural Health Care program, as well as undertake the comprehensive Universal Service reform proposed in the National Broadband Plan. High-speed broadband with high-speed decision-making is the need of the hour. Now that we have, after many long years, a National Broadband Plan, I look forward to working with the Chairman and all my colleagues to make good things happen.